W. J. Kortsemaki, Minnesota Future Farmers of America executive secretary.

The Minnesota FFA has begun an exciting statewide wildlife habitat program which has received support from sportsmen's club, the Minnesota State Conservation Department, and the U.S. Department of Agriculture's Soil Conservation Service.

FFA members are to be congratulated for taking part in many programs: First, Operation Coverup in which the FFA helped to screen 15 to 20 dumpgrounds and junkyards by tree plantings. Second, keep Minnesota clean and scenic. Third, trash-burner program in which members construct rubbish burners in their farm shops and make them available to local communities. Fourth, raising ducks and pheasants as well as distribution of the birds. Fifth, cooperating with the Farmers Union in their Green Thumb and debris depository program. Sixth, nearly half of the 40 school forests in Minnesota are managed or operated by FFA members.

For these and other successful programs, the Minnesota Future Farmers of America members are to be congratulated.

Horton Salutes Drum Corps Week

EXTENSION OF REMARKS
OF
HON. FRANK HORTON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 24, 1966

Mr. HORTON. Mr. Speaker, the week of August 20 through 27 has been designated as National Drum Corps Week. I would like to take the time today to honor the many thousands of organizations throughout the country who participate in this colorful, vibrant, lyrical activity.

These events are attracting many more enthusiasts each year. Drum corps events in my congressional district always draw capacity crowds. Rochester is the home of the fabulous Grey Knights-Crusaders, currently national champions in the senior division of the American Legion competition.

And there are smaller, less-heralded groups which through the interest they instill in new drum corps members, give youngsters a worthwhile pursuit to occupy their usually idle hours. More than one youth who might have taken a wrong turn along the way and ended up in trouble with the law has, instead, been caught up by a new-found interest in music and marching.

No one can resist the temptation to watch a snappy, precision-trained drum and bugle corps while its members step through their routines. Their activity is clean, healthy, rigid and exacting. The participants learn quickly the need for cooperation, self-discipline and reliability.

The competition is inspiring to a young mind, and the many public performances teach poise.

The fife and drum are part of the heritage of this country, and they are experiencing a rebirth in the spirit of drum corps.

Drum Corps Week 1966 will be a time for all Americans to salute the efforts of those who are working in behalf of these organizations throughout the Nation.

Santa Clara, Calif., Swim Club

EXTENSION OF REMARKS
OF
HON. CHARLES S. GUBSER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 24, 1966

Mr. GUBSER. Mr. Speaker, the record of the Santa Clara, Calif., Swim Club in producing champions over past years has been nothing short of fantastic and has served as a remarkable tribute to a wonderful coach and fine leader, George Haines.

Last Sunday the Santa Clara team won the team title for the third consecutive year at the 16th National AAU swimming and diving championships at Lincoln, Nebr.

Don Schollander, a former Olympic champion trained by the Santa Clara coach, made a comeback after a year's inactivity due to mononucleosis and set records in the 400-meter and 200-meter freestyle.

Dick Roth, also of Santa Clara, established a record in the 400-meter individual medley and his teammate, Greg Buckingham, smashed records in the 200-meter individual medley. Miss Claudia Kolb, also of Santa Clara, set a new mark in the women's 200-meter individual medley.

Mr. Speaker, I am most proud to represent the area in which the Santa Clara Swim Club is located. I know of the countless hours early in the morning and late in the evening which Coach Haines and his squad devote to attaining perfection. They are not paid, but merely pursue their sport for the personal satisfaction gained from it. This fine group of Americans has contributed much and is still contributing to a clean, wholesome sport which builds better citizens.

North Dakota Band and Choir—Ambassadors of Good Will

EXTENSION OF REMARKS
OF
HON. QUENTIN N. BURDICK
OF NORTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Wednesday, August 24, 1966

Mr. BURDICK. Mr. President, the International Peace Garden Tour Band and Choir of Dunseith, N. Dak., recently returned from a trip to Europe with several awards from its outstanding musical achievements.

The band, under the direction of Dr. Merton Utgaard, received among these awards, two of very special significance. They were awarded first place in the Fifth Annual World Music Festival held at Kerkrade, Holland. In recognition of its superior performances at the festival in which over 250 organizations throughout the world participated, they were awarded a gold medal and a scroll for outstanding achievement.

The band also presented a concert in Brussels, Belgium, at which they received the medal of Brussels. This award is given only on rare occasions for an extraordinary performance.

Mr. President, I believe this represents the best form of good will. These young people from several States in the Union literally built a bridge of friendship through their musical talents.

SENATE

THURSDAY, AUGUST 25, 1966

The Senate met at 10 o'clock a.m., and was called to order by Hon. DANIEL K. INOUYE, a Senator from the State of Hawaii.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of our salvation: to Thee we lift our hearts in prayer, bringing nothing but our need and the adoration of our contrite hearts.

Help us in all things to be masters of ourselves that we may be servants of all.

May those here called to administer the affairs of this land of our love and hope, remembering whose servants they are, make daily choice of spiritual integrity amid the corruption that is in the world through the lust of selfish power that, being unafraid, they may contend steadfastly for the right as Thou dost give them to see the right.

In our private lives and in our public service, help us this and every day to live more nearly as we pray.

"God of justice, save our people
From the clash of race and creed.
From the strife of class and faction
Make our Nation free indeed.
Keep her faith in simple goodness,
Strong as when her life began:
Till it finds its full fruition
In the brotherhood of man."

We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 25, 1966.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. DANIEL K. INOUYE, a Senator

from the State of Hawaii, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. INOUYE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 24, 1966, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that on August 23, 1966, the President had approved and signed the act (S. 3484) to amend the act of June 3, 1966 (Public Law 89–441, 80 Stat. 192), relating to the Great Salt Lake relicted lands.

EXECUTIVE MESSAGES REFERRED

As in executive session.

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1933

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Agricultural Adjustment Act of 1933, as amended, and reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, to provide for payment by handler assessments of part of the administrative costs of the Department of Agriculture (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON EXPORT-IMPORT BANK INSURANCE AND GUARANTEES ON U.S. EXPORTS TO YUGOSLAVIA

A letter from the Secretary, Export-Import Bank of Washington, Washington, D.C., reporting, pursuant to law, on Export-Import Bank insurance and guarantees on U.S. exports to Yugoslavia, for the month of July 1966; to the Committee on Appropriations.

AMENDMENTS OF TITLES 10 AND 37, UNITED STATES CODE, RELATING TO OFFICERS SERVING IN CERTAIN POSITIONS

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend titles 10 and 37, United States Code, to authorize certain rank, pay, and retirement privileges for officers serving in certain positions, and for other purposes (with accompanying papers); to the Committee on Armed Services.

REPORTS OF COMPTROLLER GENERAL

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on audit of Federal Home Loan Bank Board, for the year ended December 31, 1965 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on review of precautions taken to protect commercial dollar sales of agricultural commodities to foreign countries purchasing the same type commodities for foreign currencies under Public Law 480, Department of Agriculture, dated August 1966 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on need for interservice action when management policies and practices differ for similar supply items, Department of Defense, dated August 1966 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on possible dollar savings through expanded use of foreign currencies to transport personal effects abroad, Department of State, and other Government agencies, dated August 1966 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on management of selected time compliance technical orders requiring modifications to engines for F–100 aircraft, Department of the Air Force, dated August 1966 (with an accompanying report); to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on potential reductions in cost of automotive travel by Federal employees where use of Government-owned vehicles is feasible, dated August 1966 (with an accompanying report); to the Committee on Government Operations.

LAW ENACTED BY LEGISLATURE OF GUAM

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a law enacted by the Legislature of Guam (with an accompanying document); to the Committee on Interior and Insular Affairs.

AMENDMENT OF SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Small Reclamation Projects Act of 1956, as amended (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON FINAL SETTLEMENT OF CLAIM OF THE CREEK NATION

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D.C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claim of *The Creek Nation* v. *The United States*, Docket No. 276 (with accompanying papers); to the Committee on Interior and Insular Affairs.

CORRECTION OF DEFICIENCIES IN THE LAW RELATING TO THEFT OF U.S. POSTAL MONEY ORDERS

A letter from the Postmaster General, transmitting a draft of proposed legislation to correct certain deficiencies in the law relating to the theft and passing of U.S. postal money orders (with an accompanying paper); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. MONRONEY and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the resolutions committee at the 26th Townsend National Conference of the Townsend Organization, in Lincoln, Nebr., praying for the enactment of House bill 2841; to the Committee on Finance.

A resolution adopted by the Guam Legislature; to the Committee on Interior and Insular Affairs:

["Eighth Guam Legislature, 1966 (second) regular session]

"RESOLUTION 311

"Resolution memorializing and requesting the President and the Congress of the United States to make funds available to the Guam Economic Development Authority for the implementation of Guam's economic development as recommended by the 'Federal-Territorial Commission for the Guam long-range economic development plan,' and for other purposes

"Introduced by Francisco D. Perez, Carlos P. Bordallo, Paul M. Calvo, Carlos G. Comacho, Antonio S. N. Duenas, Alberto T. Lamorena, Kurt S. Moylan, Vicente C. Reyes, G. Ricardo Salas, Tomas R. Santos, Carlos P. Tiatano, Tomas S. Tanka, Raymond F. Underwood.

"Be it resolved by the legislature of the Territory of Guam:

"Whereas Congress enacted Public Law 88–170 in November, 1963, to provide for the rehabilitation of Guam through public works construction, development and stimulation of trade and industry and provision of community facilities;

"Whereas Section 6 of the same Act required the Secretary of the Interior and the Governor of Guam to prepare a long-range economic development plan for this territory, pursuant to which a three-member 'Federal-Territorial Commission for the Guam Long-Range Economic Development Plan' was organized:

"Whereas said commission reputedly spent the sum of $200,000.00 to compile its findings and recommendations, which report has been released to the public and contains a comprehensive, elaborate study consisting of three (3) volumes, 405 pages;

"Whereas said commission's report draws a vast and comprehensive picture of suggested action by the Government of Guam, yet it fails to make specific provisions or recommendation for Federal funding or financial assistance in any specific area:

"Whereas a grandiose study such as this commission has presented to us and placed on our laps will surely go the way of innumerable other studies and reports of past commissions, committees and research groups unless backed and supported by essential fundings and financial assistance;

"Whereas the commission itself recognizes the limitations of our territorial funding and financing capabilities, it being no secret that this territory does not have the funds required to carry out effectively even a small portion of this commission's recommendations,

"Whereas the Territory of Guam has created a public corporation, called 'Guam Economic Development Authority' (GEDA), whose function it is to direct, control and supervise a central and integrated program for the territory's economic development, which corporation has been vested with ample and sufficient powers to accomplish its purpose;

"Whereas this Development Authority is hampered by lack of sufficient capital with which to push through adequately its projects and its mission;

"Whereas it is vital and urgent that Guam develop its own distinct economy, independent of the military, primarily because of Guam's fast expanding population; and in order to aid in keeping the dollars in this country; and

"Whereas the Eighth Guam Legislature does not believe that it was the intention of the United States Congress to spend $200,000.00 for an exhaustive study for the long-range economic development of this territory without intending to follow through with necessary appropriations to achieve the commission's recommendations and carry out the specific recommended projects; now therefore, be it

"Resolved that this Legislature request and memorialize, as it hereby requests and memorializes the President of the United States and Congress of the United States to introduce and enact legislation or find other ways and means which would make available and lend to the Guam Economic Development Authority (GEDA) the sum of One Hundred Million Dollars for the purpose of investing and utilizing the same in the economic development of Guam to be expended by GEDA in pursuance of its aims, purposes and authorized activities, and in pursuance of the projects and recommendations of the Federal-Territorial Guam Commission created by Section 6 of Public Law No. 88–170; and be it further

"Resolved that this Legislature create and constitute a select committee of three (3) of its members as it hereby creates and constitutes said committee, whose members shall be appointed by the Speaker, and whose functions and duties shall be to take up the subject matter of this Resolution with the President of the United States, the United States Congress, the Department of the Interior, the Governor of Guam, GEDA and such other officials, offices and instrumentalities of the federal and territorial governments as may be necessary, with the end in view of following through with the intent of this Resolution and do everything possible to negotiate and obtain for GEDA the loan hereinabove mentioned; be it further

"Resolved that said committee submit its report of action taken and of accomplishments to this body as soon as feasible; and be it finally

"Resolved that the Speaker certify and the Legislative Secretary attest to the adoption of this Resolution and that copies thereof be transmitted to the President of the United States, each member of the United States Congress, both the House of Representatives and the United States Senate, the Secretary of Interior, the Governor of Guam and the Administrator of the Guam Economic Development Authority.

"Duly adopted on the 9th day of July 1966

"CARLOS P. TAITANO,
"Speaker."

"CARLOS P. BORDALLO,
"Acting Legislative Secretary".

A letter, in the nature of a petition, from the Speaker of the Eighth Guam Legislature, transmitting articles in support of the Guam Elected Governorship bill (with accompanying papers); to the Committee on Interior and Insular Affairs.

A resolution adopted by the International Conference of Police Associations, Washington, D.C., praying for the enactment of legislation to establish an American Police Academy; to the Committee on the Judiciary.

Several resolutions adopted by the International Conference of Police Associations, Washington, D.C., remonstrating against bail bonds, and so forth; to the Committee on the Judiciary.

A resolution adopted by the Catholic Family Life Program, Milwaukee, Wis., remonstrating against the enactment of any legislation which would encroach upon the rights of family privacy; to the Committee on Labor and Public Welfare.

A resolution adopted by the Kentucky State Humane Federation, praying for the enactment of House bill 10049 and Senate bill 2576, relating to humane treatment of animals used in experiments and tests; to the Committee on Labor and Public Welfare.

A telegram from the commander-in-chief, Veterans of Foreign Wars of the United States, New York, N.Y., embodying two resolutions adopted, at the national convention, reaffirming support of the House Committee on Un-American Activities, and praying for the enforcement of law against un-American actions; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3261. A bill to authorize the Secretary of the Interior to convey certain lands in the State of Maine to the Mount Desert Island Regional School District (Rept. No. 1522).

By Mr. MOSS, from the Committee on Interior and Insular Affairs, with amendments:

S. 2535. A bill to amend the act of March 1, 1933 (47 Stat. 1418), entitled "An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation," and for other purposes (Rept. No. 1525).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 3460. A bill to authorize the Secretary of the Interior to enter into contracts for scientific and technological research, and for other purposes (Rept. No. 1523); and

S. 3504. A bill to amend the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands (Rept. No. 1524).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1607. A bill to establish the Point Reyes National Seashore in the State of California, and for other purposes (Rept. No. 1526).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with an amendment:

H.R. 14929. An act to promote international trade in agricultural commodities, to combat hunger and malnutrition, to further economic development, and for other purposes (Rept. No. 1527).

By Mr. TYDINGS, from the Committee on the District of Columbia, without amendment:

H.R. 9824. An act to amend the Life Insurance Act of the District of Columbia, approved June 19, 1934, as amended (Rept. No. 1529).

By Mr. TYDINGS, from the Committee on the District of Columbia, with an amendment:

H.R. 10823. An act relating to credit life insurance and credit health and accident insurance with respect to student loans (Rept. No. 1530); and

H.R. 14205. An act to declare the Old Georgetown Market a historic landmark and to require its preservation and continued use as a public market, and for other purposes (Rept. No. 1531).

By Mr. BIBLE, from the Committee on the District of Columbia, with an amendment:

H.R. 1066. An act to amend section 11–1701 of the District of Columbia Code to increase the retirement salaries of certain retired judges (Rept. No. 1528).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Bernard J. Leddy, of Vermont, to be U.S. district judge for the district of Vermont.

By Mr. SMATHERS, from the Committee on the Judiciary:

David W. Dyer, of Florida, to be U.S. circuit judge, fifth circuit.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TALMADGE:

S. 3760. A bill for the relief of Richard L. Bass; to the Committee on the Judiciary.

By Mr. MUSKIE:

S. 3761. A bill for the relief of Cita Rita Leola Ines; to the Committee on the Judiciary.

By Mr. SCOTT (for himself, Mr. DOMINICK, Mr. ALLOTT, Mr. BENNETT, Mr. CASE, Mr. FANNIN, Mr. JAVITS, Mr. KUCHEL, Mr. MORTON, and Mr. TOWER):

S. 3762. A bill to establish a National Commission on Public Management, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. SCOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (for himself and Mr. LAUSCHE):

S. 3763. A bill to amend title 18 of the United States Code to prohibit travel in interstate or foreign commerce with intent to incite a riot, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. ALLOTT:

S. 3764. A bill for the relief of Jesus Jose Escobar (also known as Joe Orosco); to the Committee on the Judiciary.

By Mr. JAVITS:

S. 3765. A bill to provide for Federal control over foreign banking corporations operating within the United States, the District of Columbia, the several territories and possessions of the United States, and the Commonwealth of Puerto Rico; to the Committee on Banking and Currency.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. CHURCH:

S. 3766. A bill for the relief of Ahmad Abbas Ghomi, Mohammad Ali Tarkeshian, and Mostafa Tarkeshian; to the Committee on the Judiciary.

By Mr. HRUSKA:

S. 3767. A bill to amend the Federal Firearms Act; to the Committee on the Judiciary.

(See the remarks of Mr. HRUSKA when he introduced the above bill, which appear under a separate heading.)

By Mr. PELL:

S. 3768. A bill to provide adjustments in annuities under the Foreign Service Retirement and Disability System; to the Committee on Foreign Relations.

(See the remarks of Mr. PELL when he introduced the above bill, which appear under a separate heading.)

By Mr. TOWER:

S.J. Res. 188. Joint resolution providing for appropriate ceremonies in connection with the raising and lowering of the flags of the United States surrounding the Washington Monument; to the Committee on Armed Services.

(See the remarks of Mr. TOWER when he introduced the above resolution, which appear under a separate heading.)

RESOLUTIONS

EXPRESSION OF SENSE OF CONGRESS RELATING TO TREATMENT OF RHODESIA BY THE U.S. GOVERNMENT

Mr. EASTLAND submitted a resolution (S. Res. 297) expressing the sense of the Congress about the treatment of Rhodesia by the U.S. Government, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. EASTLAND, which appears under a separate heading.)

CREATION OF A SELECT COMMITTEE ON TECHNOLOGY AND HUMAN ENVIRONMENT

Mr. MUSKIE (for himself, Mr. RANDOLPH, Mr. BOGGS, Mr. JAVITS, and Mr. COTTON) submitted a resolution (S. Res. 298) to establish a Select Committee on Technology and Human Environment, which was referred to the Committee on Government Operations.

(See the above resolution printed in full when submitted by Mr. MUSKIE, which appears under a separate heading.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KUCHEL, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the following subcommittees were authorized to meet during the session of the Senate today:

The Permanent Subcommittee on Investigations of the Committee on Government Operations.

The Subcommittee on Constitutional Amendments of the Committee on the Judiciary.

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Post Office and Civil Service was authorized to meet during the session of the Senate today.

On request of Mr. PROXMIRE, and by unanimous consent, the Committee on Commerce was authorized to meet during the session of the Senate today.

On request of Mr. PROXMIRE, and by unanimous consent, the Subcommittee on Executive Reorganization of the Committee on Government Operations was authorized to meet during the session of the Senate today.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SCOTT:

Article written by Karl Abraham and published in the Philadelphia (Pa.) Evening Bulletin, regarding the construction of a water-desalting project at the Red Sea, constructed by the Baldwin-Lima-Hamilton Corp., of Pennsylvania, and a letter written by Mr. Jacob Pelled, managing director of the Israel Electric Corp., Ltd., in connection therewith.

LIMITATION ON STATEMENTS DURING THE TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

USE OF SCIENTIFIC TOOLS TO BENEFIT ALL MANKIND

Mr. SCOTT. Mr. President, Congress has over the past decade enacted a host of creative programs designed to solve our public, social, and economic problems. We have made important strides forward in education, health care, pollution control, and urban development, but the dimensions of our remaining problems are staggering.

There are 9 million substandard housing units in the United States, most of them in urban areas.

Ten thousand of our Nation's communities will face serious problems of air pollution.

The demand for water consumption may exceed the available supply before the end of this century.

Traffic jams cost the Nation over $5 billion each year.

In one State alone, engineers estimate that Government documents will fill nearly 400 miles of filing cabinets by 1990.

It is clear that problems of this magnitude are not susceptible to the traditional solutions. We must reach for new ways to manage the public business effectively and economically.

We have available to us already a wealth of knowledge and technology in private industry. We have seen how new techniques of management analysis—the so-called "systems approach"—have streamlined our Defense Establishment and brought the universe within man's reach.

The systems approach is usually identified with the techniques put to such good use by the National Aeronautics and Space Administration, the Defense Department, and the aerospace industry.

With the systems approach we can use the latest scientific tools to deal with water and air pollution, just to cite one area of great national concern. This new technology can test for pollution, anticipate pollution, and provide techniques to prevent and correct pollution.

Systems management techniques can be used also in dealing with the air and surface transportation problems affecting the Nation today. They can be made to work to help free the flow of city workers to suburban homes, to resolve the incredibly complicated problems of air safety and air traffic control.

In housing, systems technology can help improve the design of homes, simplify the planning of housing patterns, provide for more efficient and rapid administration of housing development programs—all toward improving the living conditions of millions of Americans.

The same set of tools can be put to use to help us educate our children, improve the health of our families, and increase the effectiveness of law enforcement.

Those are just a few examples of the kinds of tools at our disposal. I believe that we should put those tools to work for the benefit of mankind.

Therefore, I am today introducing a bill to establish a National Commission on Public Management. My bill is cosponsored by Senators DOMINICK, ALLOTT, BENNETT, CASE, FANNIN, JAVITS, KUCHEL, MORTON, and TOWER. A companion measure is being introduced today in the other body by Representative MORSE of Massachusetts and more than 40 of his colleagues.

This Commission would bring to bear on the management of public business the very best minds in private industry, Government, labor, and education. Its mandate is to answer two fundamental questions: Can new management technology aid us in solving public problems? What is the best way to do the job?

This bill proposes that a National Commission be appointed by the President in order to study and recommend the manner in which modern systems analysis and management techniques may be utilized to resolve national and community problems in the nondefense sector.

The Commission would be composed of a Chairman, Vice Chairman, and 11 other members, who shall be experienced in the subject matter to be studied by the Commission, and shall include representatives from Government, business, labor, and education. In addition, the Commission may appoint an Executive Director and any other staff personnel required.

The Commission would have an active life of approximately 2½ years. At the

end of 1 year it would provide the President and the Congress with a preliminary report including a precise description of the problems, a preliminary analysis of the applicability of these new management techniques to a wide spectrum of public problems, and a detailed plan for continuing study leading up to the final report. Then, 18 months later, the Commission would submit its final report, containing explicit plans, including case examples, for applying particular management technology to specific public problems. This report would also contain recommendations for legislation, Federal executive action, and State and local governmental action needed to facilitate the application of these techniques.

The Commission would study and investigate the following major areas:

First. Definition of those social and economic problems to which the application of the "systems approach" appears to hold promise.

Second. Analysis of the many modern management techniques currently being used in the aerospace field to determine those which are best suited for application in the nondefense sector and what modifications may be required.

Third. An assessment of the proper relationship between governmental and private investment in these areas, including the degree of public involvement and the best procedures for Government support and funding.

Fourth. An assessment of the optimum organizational relationships among several levels of governmental authorities.

Fifth. The role of small business and organized labor in the application of these new management techniques.

Sixth. An assessment of potential contributions of the universities toward resolving public management problems.

The tasks of management in both public and private enterprise have become more complex due to the very nature of the problems inherent in a dynamic society such as ours, and due, of course, to advances in science and technology. The problems of managing even the largest Federal programs of a generation ago were small compared to those of today. All levels of government—Federal, State, and local—are finding it increasingly difficult to solve their complex management problems on a piecemeal basis, to a large extent because they lack the management techniques and skills that have been applied so successfully in private industry.

Although there are studies in process dealing with the use of systems analysis in several nondefense areas, the questions of where and how the systems approach is most applicable and the problems as to how these can best be applied are still largely unanswered. Those questions require the attention of a Commission, appointed by the President, to include the best minds in the field of modern management technology.

Some of our distinguished colleagues have recently introduced legislation which would authorize the expenditure of public funds, either directly by executive departments or through grants to the States, for contracts with universities or other organizations which would attempt to apply the systems analysis approach to public problems. We fully support our colleagues on the basic issue of stimulating governmental support for such endeavors, but we also believe that a national commission is required first to provide the overall analysis and informed recommendations needed by all governmental authorities who may have reason to use the systems approach in the future.

The significance of the proposal goes far beyond the mere application of systems management and the new technology. The Commission would be the first step in a major new political departure. What is envisioned is the application by private industry of these new problem-solving techniques to public policy problems. By utilizing the vital skills of private industry, under contract to the Government, it is possible at the same time to solve these increasingly complex problems and to attack informatively the great problems presented by the constant burgeoning of the Federal Government in its multifarious aspects.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3762) to establish a National Commission on Public Management, and for other purposes, introduced by Mr. SCOTT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

PROHIBITION OF TRAVEL IN INTERSTATE OR FOREIGN COMMERCE WITH INTENT TO INCITE A RIOT

Mr. MAGNUSON. Mr. President, I introduce, on behalf of myself and Senator LAUSCHE, for appropriate reference, a bill to amend title 18 to punish those who travel in interstate commerce with the intent to incite a riot or other violent civil disturbance. This bill is a duplicate of section 502, Protection of Rights, of H.R. 14765, the Civil Rights Act of 1966, which was recently passed by the House of Representatives.

Senator LAUSCHE has alerted the Senate to a report of a Cleveland grand jury which implicated professional agitators in the recent riots in Cleveland's Hough area. The importance of evidence of this nature cannot be overestimated. Accordingly, it is my belief that this section of the bill should be separately considered and acted upon. I ask unanimous consent that the bill be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3763) to amend title 18 of the United States Code to prohibit travel in interstate or foreign commerce with intent to incite a riot, and for other purposes, introduced by Mr. MAGNUSON (for himself and Mr. LAUSCHE), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 3763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18 of the United States Code is amended by inserting, immediately after chapter 101 thereof, the following new chapter:

"CHAPTER 102—RIOTS

"§ 2101. Riots

"Whoever moves or travels in interstate or foreign commerce or uses any facility in interstate or foreign commerce, including the mail, with intent to—

"(1) incite, promote, encourage, or carry on, or facilitate the incitement, promotion, encouragement, or carrying on of, a riot or other violent civil disturbance; or

"(2) commit any crime of violence, arson, bombing, or other act which is a felony or high misdemeanor under Federal or State law, in furtherance of, or during commission of, any act specified in paragraph (1); or

"(3) assist, encourage, or instruct any person to commit or perform any act specified in paragraphs (1) and (2);

and thereafter performs or attempts to perform any act specified in paragraphs (1), (2), and (3), shall be fined not more than $10,000 or imprisoned not more than five years, or both."

SEC. 2. The table of contents of "Part I—Crimes" of title 18 of the United States Code is amended by inserting after the following:

"101. Records and reports ---------- 2071

the following new chapter reference:

"102. Riots ---------- 2101".

SEC. 3. Nothing contained in this Act shall be construed as indicating an intent on the part of the Congress to occupy the field in which any provision of this Act operates to the exclusion of State laws on the same subject matter, nor shall any provisions of this Act be construed as invalidating any provision of State law unless such provision is inconsistent with any of the purposes of this Act or provision thereof.

FOREIGN BANKING CONTROL BILL; UNIFORM REGULATION OF FOREIGN BANKS

Mr. JAVITS. Mr. President, I am today introducing legislation to provide Federal regulation for foreign banking corporations doing business in the United States and its territories.

Under present law, foreign banking in the United States is regulated by the States. This arrangement fails to take into account the foreign policy and foreign trade implications of the international banking industry, and causes some foreign governments to impose unnecessary restrictions on U.S. banking corporations doing business abroad.

Under existing law any foreign banking corporation desirous of doing business in the United States must obtain permission from the individual State in which it seeks to open its branch, agency, or controlled subsidiary. Accordingly, I am informed that the State Department has had to explain to many unbelieving foreign banking concerns proposing to do business in the United States that the Federal Government has no control over the right of entry or of supervision over such activities.

Although the Constitution provides that the Congress has responsibility for

controlling money and for managing the international monetary affairs of the Nation, none of the various Federal banking agencies—that is, Comptroller of the Currency, Federal Reserve, FDIC—has any jurisdiction over foreign banks. Yet these same agencies account for 98 percent of domestic deposits. At a time when the Nation is deeply concerned about the interest equalization tax, the voluntary credit restraint program and other measures concerning our domestic economy and balance of payments, it is incompatible with the national interest that State banking authorities should still maintain complete regulatory authority and control over admittance of foreign banks.

It is in the public interest to have Federal supervision of the foreign banks because of the degree of knowledge and expertise required to appraise various applications as well as to examine and regulate foreign institutions. Because these activities constitute such a small proportion of the supervisory functions of any State, the desired specialization in the international banking field has not been developed.

National regulation of foreign banks should encourage other nations to grant reciprocal privileges to our banks which operate or wish to operate abroad.

It may on occasion be necessary to deny some foreign bank entry to do business in the United States. Such a refusal should originate at the Federal level where foreign policy implications may be assessed. Under present law, foreign banks can open branches only in Massachusetts, New York, and Oregon. If our policy is to deny branch banking facilities to foreign banks, then, on the same theory, U.S. banks can be deprived of the right to open new branches or to continue operating in foreign countries.

The policy contained in the legislation is an attempt to arrive at a compromise between the advocates of unlimited entry and those who would severely restrict access according to the will of the State in which the bank is to do business. The proposal establishes the following regulations: First an approval procedure, followed by periodic examination similar to that of national banks; second a firm—but appealable—revocation and suspension procedure; and third reapproval every 5 years.

There will no doubt be much debate over some of the details of this legislation, but my intention is to arouse sufficient interest in the general proposition to which the bill is committed; that is, the Federal Government must take over this important function. The idea has been brilliantly set out by Prof. Jack Zwick of Columbia University in a paper entitled "Foreign Banking in the United States" prepared for the Joint Economic Committee of the Congress. Mr. Zwick points out that foreign banks would not be a threat to the small depositor oriented bank, but rather foreign banking operations would likely be limited to a handful of major cities—mainly foreign trade centers—where it would be economical to operate.

In concluding his paper, Professor Zwick sums up his case for Federal chartering of foreign banks, as follows:

The recommendation for free entry and equal access for foreign banks appears to be supported by past performance. Especially in the States whose foreign banking laws are most liberal, both bankers and supervisory officials argue that the advantages gained by the States and the country as a whole far outweigh the disadvantages. The foreign banks have contributed to the development of New York and San Francisco as centers of international finance and trade. A byproduct of this development has been the expansion of trade in which U.S. firms have been important participants and which several domestic banks have financed to an increasing degree. The foreign banking institutions have introduced new financial instruments in the trade financing field and, thus, have complemented the activities of domestic banks. There has been little evidence or complaints of competitive developments unfavorable to the domestic banks, and most banks report improved correspondent relations since the establishment of foreign banking institutions here. In certain instances the foreign banks have provided personal banking services to ethnic groups who otherwise would have been denied these services and who probably would have held some of their money outside the banking system. Finally, it has been noted that the existence of foreign banks here and branches and subsidiaries of U.S. banks overseas probably has had favorable payments effects.

I hope that this proposal will receive the attention which it deserves.

I ask unanimous consent that the bill lay on the table until the close of business, Tuesday, September 6, for additional cosponsors. I also ask unanimous consent that the bill be printed in its entirety in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD and held at the desk, as requested by the Senator from New York.

The bill (S. 3765) to provide for Federal control over foreign banking corporations operating within the United States, the District of Columbia, the several territories and possessions of the United States, and the Commonwealth of Puerto Rico introduced by Mr. JAVITS, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 3765

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 12 of the United States Code be amended as follows:

"SHORT TITLE

"SECTION 1. This Act may be cited as the "Foreign Banking Control Act."

"ESTABLISHMENT OF BRANCHES, AGENCIES, OR SUBSIDIARIES

"SEC. 2. Except as herein provided, any foreign banking corporation must hereafter, obtain the prior approval of the Comptroller of the Currency, establish and operate a branch or branches, an agency or agencies, or a controlled subsidiary office or offices within any State.

"APPROVAL BY COMPTROLLER

"SEC. 3. (a) FACTORS.—The Comptroller of the Currency shall grant a charter to conduct the business of banking through any agency, branch or controlled subsidiary only after a consideration of the following factors:

"(1) the convenience of the business community where the foreign banking corporation intends to operate its agency, branch, or controlled subsidiary;

"(2) the written comments of the Department of State;

"(3) the national public interest.

"(b) VIEWS OF STATE DEPARTMENT.—Upon receipt of an application by a foreign banking corporation to operate a branch, agency, or controlled subsidiary office, the Comptroller shall transmit pertinent data relative thereto to the United States Department of State which shall then have sixty days in which to transmit its views on the application to the Comptroller who shall in the due course of his deliberations on the application, consider such views as prescribed in subsection (a) (2) of this section.

"REQUIREMENTS OF APPLICATION

"SEC. 4. (a) CONTENTS.—Any foreign banking corporation may apply for permission to establish and operate a branch, agency or controlled subsidiary banking office by subscribing and submitting to the Comptroller of the Currency a written application in such form as the Comptroller shall prescribe, setting forth:

"(1) The name of such foreign banking corporation;

"(2) The amount of actual paid-in capital, surplus fund, and undivided profits of the foreign banking corporation each expressed in the currency of the country of incorporation, the dollar equivalent of which amount, as determined by the Comptroller, shall be deemed the amount of the bank's capital, surplus and undivided profits;

"(3) The place at which the proposed office is to be situated;

"(4) The nature and character of the business to be engaged in at the proposed office;

"(5) Such other information as the Comptroller may require.

"(b) SUPPORTING DOCUMENTS.—An application to operate a branch, agency or controlled subsidiary office, must be accompanied by—

"(1) A certified copy of the foreign banking corporation's charter or articles of incorporation and of its bylaws or equivalent documents in a form satisfactory to the Comptroller;

"(2) A certificate designating the Comptroller and his successor in Office as the agent of the corporation upon whom process may be served in any action or proceeding against the foreign banking corporation, its agents or instrumentalities arising out of its banking activities within any State. The Comptroller shall forward by mail, postage prepaid, a copy of every process served upon him addressed to the manager or agent of such corporation at a previously designated place of business wherever located in the several States, Territories and possessions of the United States and the Commonwealth of Puerto Rico;

"(3) A certificate of designation, which may be changed from time to time thereafter, specifying the name and address of the manager, agent, or other person to whom process shall be forwarded;

"(4) Proof satisfactory to the Comptroller, in the form of an opinion of the appropriate bank supervisory authority, if any, opinion of counsel, or otherwise, that the foreign banking corporation has been authorized by its charter to carry on the business of banking in the country of its incorporation and that it has fully complied with the laws of that country;

"(5) A charter fee of one thousand dollars for each branch, agency, or controlled subsidiary office applied for; and

"(6) Such additional material as the Comptroller shall require.

"AUTHORITY OF COMPTROLLER

"SEC. 5. (a) EXAMINATION AND EXPENSE.—The Comptroller of the Currency shall cause the national bank examiners to examine the branch or branches, agency or agencies, or controlled subsidiary office or offices of each foreign banking corporation authorized to do business under section 2 of this Act at least as frequently as the Comptroller examines national banks. The examiner making the examination of any office of a foreign banking corporation shall have power to make a thorough examination of all the affairs of the bank which relate to the operation of such office and in doing so he shall have power to administer oaths and to examine any of the officers and agents thereof under oath and shall make a full and detailed report of the condition of said office to the Comptroller of the Currency. The expense of such examination shall be assessed on the foreign banking corporation and shall be proportioned to the assets or resources of the office or offices so examined at a rate or scale set by the Comptroller of the Currency.

"(b) COMPLIANCE WITH RULES.—The foreign banking corporation, with respect to the business and affairs of its branch, agency or controlled subsidiary shall be subject to and will comply with all regulations and rules of the Comptroller of the Currency prescribed pursuant to this Act and shall file all reports of condition and other reports as the Comptroller may from time to time require. If at any time, the foreign government under whose laws the parent bank of the agency, branch, or controlled subsidiary was organized, changes its laws or regulations affecting United States banks operating thereunder (directly or through subsidiaries) the Comptroller of the Currency shall have authority to impose the same conditions upon the foreign banking corporation or its branch, agency or controlled subsidiary operating within the United States, the District of Columbia, the Territories and possessions of the United States, or the Commonwealth of Puerto Rico.

"(c) ACCOUNTS WITH DEPOSITARIES.—The foreign banking corporation will keep on deposit, in accordance with such rules and regulations as the Comptroller of the Currency shall from time to time prescribe, with such depositaries as the Comptroller shall approve, assets in such amounts and in such kinds as the Comptroller shall deem appropriate, for the maintenance of a sound financial condition, the protection of depositors and the public interest, and the maintenance of public confidence in the business of the foreign branch, agency or controlled subsidiary, and the Comptroller may prescribe different amounts and kinds of assets which different foreign banking corporations shall maintain on deposit pursuant to the provisions of this subsection.

"(d) RESERVES.—The foreign banking corporation shall maintain such reserves against deposits in its United States offices as the Comptroller may from time to time require, but in no event shall these reserves be lower than those required of national banks.

"(e) BOOKS AND RECORDS.—The foreign banking corporation shall maintain separate books and records for the business and affairs of its branch, agency or controlled subsidiary offices in accordance with such rules and regulations as the Comptroller may prescribe.

"(f) TWO YEAR INTERVALS.—Approval to do business under this Act shall be issued by the Comptroller for a five year period. At the end of the five year period the foreign banking corporation must re-apply to the Comptroller of the Currency for approval to continue in business for another five year period.

"(g) REVOCATION AND SUSPENSION.—The Comptroller shall have ultimate authority to revoke or suspend any charter issued pursuant to this section if—

"(1) The foreign banking corporation's domestic branch, agency or controlled subsidiary is conducting its business in an unsafe or unsound manner; or

"(2) The foreign banking corporation's domestic branch, agency or controlled subsidiary has failed to comply with a rule, regulation or order of the Comptroller; or

"(3) The foreign banking corporation's domestic branch, agency or controlled subsidiary has violated or refused to comply with applicable federal or state law; or

"(4) The directors (or equivalent persons in charge) of any agency, branch or controlled subsidiary office, shall knowingly violate, or knowingly permit any of the officers, agents or servants of the agency, branch or controlled subsidiary to violate any provisions of this chapter. Such violation shall, however, be determined and adjudged by a proper district or Territorial court of the United States in a suit brought for that purpose by the Comptroller of the Currency, in his own name, before the imposed sanction becomes final. And in cases of such violation, every director (or equivalent person in charge) who participated in or assented to the same may be held liable in his personal and individual capacity for all damages which the association, its shareholders or any person, shall have sustained in consequence of such violation.

"(5) Any final determination of the Comptroller may only be appealed to the Circuit Court for the District of Columbia.

"PENALTIES

"SEC. 6. Every foreign banking corporation, its agency, branch or controlled subsidiary which fails to make and transmit any report required under this chapter shall be subject to a penalty of $100 for each day after the day such report was to be made or transmitted. Whenever any foreign banking corporation, its agency, branch, or controlled subsidiary delays or refuses to pay the penalty herein imposed, after it has been assessed by the Comptroller of the Currency, the amount thereof may be obtained upon the order of the Comptroller of the Currency, out of interest or principal of the assets which may be maintained with United States depositaries pursuant to section 5(c) of this Bill. All sums of money collected by the Comptroller for penalties under this section shall be paid into the Treasury of the United States, after deduction of the costs incurred in their collection.

"EXERCISE OF POWERS

"SEC. 7. (a) INCIDENTAL TO BANKING.—Foreign banking corporation branches or controlled subsidiaries authorized to do business under this section may exercise all such incidental powers as shall be necessary to carry on the business of banking to the extent lawful for national banks.

"(b) FIDUCIARY CAPACITY.—The Comptroller of the Currency shall be authorized and empowered to grant by special permit to any agency, branch, or controlled subsidiary office applying therefor, the right to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of insane persons, or in any other fiduciary capacity in which state banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State in which the agency, branch, or controlled subsidiary is located.

"(1) Any agency, branch or controlled subsidiary exercising any or all of the powers enumerated in subsection (b) of this section shall segregate all assets held in any fiduciary capacity from the general assets of the foreign banking corporation, its agency, branch or controlled subsidiary, and shall keep a separate set of books and records showing in proper detail all transactions engaged in under authority of this section.

"(2) No agency, branch, or controlled subsidiary shall receive in its trust department deposits of current funds, subject to check, or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes. Funds deposited or held in trust awaiting investment shall be carried in a separate account and shall not be used by the foreign banking corporation, its agency, branch or controlled subsidiary in the conduct of its business unless it shall first set aside in the trust department United States bonds or other securities approved by the Comptroller of the Currency.

"LOCATION

"SEC. 8. GENERAL RULE.—A foreign banking corporation may with the Comptroller's approval, establish an agency, branch, or controlled subsidiary within any State.

"PRESENT OPERATIONS

"SEC. 9. (a) APPLY TO COMPTROLLER.—Foreign banking corporations may retain and continue to operate all such branches, agencies or controlled subsidiary offices that they may have in lawful operation at the date of approval of this section. However, all such branches, agencies or controlled subsidiary offices shall apply to the Comptroller of the Currency for a Federal charter within one year from the effective date of this Act. Such application shall become effective 30 days after receipt and acceptance by the Comptroller's office, unless the Comptroller of the Currency determines

"(1) The agency, branch or controlled subsidiary is being operated in an unsafe or unsound manner; or

"(2) The agency, branch, or controlled subsidiary has been in continual or habitual violation of state law; or

"(3) The continued operation of the agency, branch or controlled subsidiary would not be in the public interest and the Comptroller shall receive the advice of the State Department hereon.

"REPRESENTATIVES OF FOREIGN BANKING CORPORATIONS

"SEC. 10. An individual may establish and maintain a representative office or offices in any state as representative of one or more foreign banking corporations upon duly registering with the Comptroller of the Currency and obtaining a license from the Comptroller. The application for such license shall be in such form and set forth such information as the Comptroller of the Currency may require. The Comptroller of the Currency may grant or refuse the application in his discretion and may at any time in his discretion revoke any such license. Such representative shall pay an annual fee of $100 for each such office and make such reports as the Comptroller may from time to time require.

"DEFINITIONS

"SEC. 11. (a) FOREIGN BANKING CORPORATION.—The term 'foreign banking corporation' means any organization, whether or not incorporated, which has been formed under the laws of a foreign government for the purpose of engaging in the business of banking. As used herein 'business of banking' includes, but is not limited to, the making of loans; receiving deposits; paying checks, drafts, bills, of exchange; or engaging in a fiduciary capacity with respect to funds within the institution's custody.

"(b) BRANCH.—The term 'branch' includes, but is not limited to, any branch bank, branch office, branch agency, additional

office, or any branch place of business, at which deposits are received, located in any State.

"(c) CONTROLLED SUBSIDIARY.—The term 'controlled subsidiary' means any corporation organized to conduct the business of banking under any State or Federal law which is directly or indirectly under the conrtol of any foreign banking corporation or controlling person of such foreign banking corporation. For the purposes of this section ownership of any particular amount of stock shall not be determinative of the question of control. It will be presumed that any person, or corporation who owns less than 5% of the voting securities of the foreign banking corporation or association. As used herein 'person' means any natural person, trust, corporation, partnership, or other organized group.

"(d) AGENCY.—The term 'agency' includes, but is not limited to, any agency bank, agency office, additional office or place of business authorized to carry on the business of banking, except the receiving of deposits.

"(e) STATE.—The term 'State' means any state of the United States, the District of Columbia, or any territory or possession of the United States, or the Commonwealth of Puerto Rico.

"(f) SEPARABILITY.—If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby."

FEDERAL FIREARMS AMENDMENTS OF 1966

Mr. HRUSKA. Mr. President, I send to the desk a bill which I am introducing and ask that it be appropriately referred. Its title is "Federal Firearms Amendments of 1966." It undertakes to amend the Federal Firearms Act of 1938 as amended.

Here is a short summary of the principal provisions of the bill:

DIGEST OF HRUSKA FIREARMS CONTROL BILL

First. Mail-order sales of handguns to minors prohibited:

No carrier in interstate or foreign commerce may deliver any handgun to any person under 21 years of age.

Second. Mail-order and out-of-State sales restrictions: (a) No manufacturer or dealer may ship any handgun in interstate or foreign commerce to any person, except a licensed manufacturer or dealer, unless a sworn statement is submitted to the shipper by the prospective recipient that he first, is at least 21 years of age; second, is not prohibited by Federal or State law or local ordinance from receiving or possessing the handgun; and third, discloses the title, true name and address of the principal law-enforcement officer of the locality to which the handgun will be shipped.

No manufacturer or dealer may sell a handgun over-the-counter to out-of-State residents unless a sworn statement is submitted by the prospective recipient containing the information required in subsection (a) above.

Third. Presale notice and waiting period:

Prior to shipment or over-the-counter sales to out-of-State residents, the manufacturer or dealer must forward the sworn statement by registered or certified mail—return receipt requested—to the local law enforcement officer named in the statement. The statement must contain a full description—excluding serial number—of the firearm to be shipped. The seller must receive a return receipt evidencing delivery of the letter, or evidence that such letter has been returned because of the refusal of the local law enforcement officer to accept such letter.

A dealer then must delay delivery to the purchaser for 7 days after he has received the return receipt or notice of refusal.

The Governor of any State may designate an official in his State to receive notification of handgun purchases for his State or any part thereof.

Fourth. Unlawful acts: The act of a manufacturer or dealer shipping any firearm in interstate commerce to any person in any State where the receipt of the firearm by such person would violate any statute of that State is prohibited.

The act of knowingly transmitting in commerce or by mail any sworn statement containing any false information as to any material fact for the purpose of obtaining a firearm is prohibited.

The act of knowingly making a false written or oral statement, furnishing false or deceiving identification to any licensed dealer, manufacturer, or importer for the purpose of obtaining a firearm is prohibited.

The act of transporting into or receiving a firearm by a resident of any State from outside the State if it were unlawful for him to purchase or possess a firearm in his own State is prohibited.

Fifth. Written notice to carrier: No manufacturer or dealer may deliver any package containing a firearm to any carrier for transportation or shipment in commerce without prior written notice to the carrier.

Sixth. Requirements for obtaining Federal licenses as manufacturer or dealer: The applicant must be at least 21 years of age.

The applicant must not be prohibited from receiving a firearm by the provisions of the act.

The applicant must not have failed to disclose any material fact or made false statements in connection with the application.

Seventh. License fees: The fee for a manufacturer's or pawnbroker's license shall be $50 a year; for a dealer's license $25 for the first year and $10 for each renewal year.

Eighth. Ammunition, components, and sawed-off rifles and shotguns removed from coverage.

Ammunition, ammunition components, and minor parts of a firearm—such as springs, barrels, sights, and accessories—are removed from the application of the Federal Firearms Act.

Firearms with overall lengths of less than 26 inches—such as short-barreled rifles and shotguns—mufflers and silencers are removed from the application of the Federal Firearms Act—these items are covered in the National Firearms Act of 1934.

Ninth. Penalty provisions: The existing penalty provisions of the Federal Firearms Act—a maximum fine of $5,000 and a maximum term of imprisonment of 5 years—are increased to maximums of $10,000 and 10 years, but all sentenced offenders are made eligible for parole as the U.S. Board of Parole may determine.

Mr. President, there has been prepared two documents pertaining to the bill I introduce. One is a comparison thereof with S. 1592 as revised. The second is an exhibit showing how the present Federal Firearms Act would be amended by the bill which is being introduced.

It is my intention to offer this bill as a substitute for S. 1592 as revised, in a future session of the Senate Committee on the Judiciary. It is my belief that this bill which is directed at the real offender in the family of firearms, namely the handgun, and which is designed to assist the States to implement and to effectively enforce their statutes controlling handguns, will be an infinite improvement over S. 1592. It will be much more highly acceptable in that it does not wander off into areas of legislation not within the jurisdiction or competence of this Judiciary Committee, namely the field of imports and also of destructive devices.

My position in the latter regard has been and still is that these subjects should be considered in the Senate Committee on Finance where there now is pending S. 1591 which has for its purpose the amendment of the National Firearms Act of 1934—Machine Gun Act.

Mr. President, this measure would give each State's law-enforcement officers positive and timely notice of a contemplated sale and delivery of handguns. They could then take such action as would be indicated.

Thus the States would truly and effectively receive "assistance" in enforcing the State firearms control laws.

In my judgment, this bill would make a constructive and substantial contribution to the solution of what appears to be the significant problems in the firearms commerce in this country; namely, the purchase of handguns by mail order—or over the counter in the case of nonresidents—in circumvention or violation of the State law which should prevail.

This bill would operate effectively without harsh impact and without unwarranted restrictions and requirements which would be visited otherwise upon those persons who own and use firearms in a lawful manner.

By its very nature, the handgun is the most troublesome and difficult factor in unlawfully used firearms. Its size, weight, and compactness make it easy to carry, to conceal, to store, to transport, or dispose of. All these features and others make it a very effective weapon in commission of crimes and violence. It is difficult to observe, control, and to police.

Its status as the most formidable and most frequently used tool of the criminal is well recognized and established by first, the existence in many States of laws controlling the handgun; and second, by statistics on its unlawful and criminal use in crimes of violence.

The bill I introduce today will cope effectively with this problem. Also, it will recognize and have regard for the 20 million Americans who are active users of firearms in a lawful, wholesome, and beneficial manner. It is my hope it will receive suitable study and favorable action by the committee and by the Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed at the conclusion of my remarks and after the two documents mentioned previously are set out.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

A BILL TO AMEND THE FEDERAL FIREARMS ACT

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Federal Firearms Act (52 Stat. 1250) is amended to read:

"That as used in this Act—

"(1) The term 'person' includes an individual, partnership, association, or corporation.

"(2) The term 'State' includes each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

"(3) The term 'interstate or foreign commerce' means commerce between any State and any place outside thereof; or between points within the same State, but through any place outside thereof; or within any possession or the District of Columbia.

"(4) The term 'firearm', except when the context otherwise requires, means any weapon, manufactured after the year 1898, by whatsoever name known, which will, or is designed to, or which may be readily converted to, expel a projectile or projectiles by the action of an explosive or the frame or receiver of any such weapon.

"(5) The term 'handgun' means any pistol or revolver originally designed to be fired by the use of a single hand and which is designed to fire or capable of firing fixed cartridge ammunition, or any other firearm originally designed to be fired by the use of a single hand.

"(6) The term 'manufacturer' means any person engaged in the business of manufacturing or importing firearms for purposes of sale or distribution. The term 'licensed manufacturer' means any such person licensed under the provisions of this Act.

"(7) The term 'dealer' means any person engaged in the business of selling firearms at wholesale or retail, or any person engaged in the business of repairing such firearms or of manufacturing or fitting barrels, stocks, or trigger mechanisms to firearms, or any person who is a pawnbroker. The term 'licensed dealer' means any dealer who is licensed under the provisions of this Act.

"(8) The term 'pawnbroker' means any person whose business or occupation includes the taking or receiving, by way of pledge or pawn, of any firearm as security for the repayment of money loaned thereon.

"(9) The term 'Secretary' means the Secretary of the Treasury or his designee.

"(10) The term 'crime of violence' includes voluntary manslaughter, murder, rape, mayhem, kidnapping, robbery, burglary, housebreaking, extortion accompanied by threats of violence, assault with a dangerous weapon, assault with intent to commit any offense punishable by imprisonment for more than one year, arson punishable as a felony, or an attempt to commit any of the foregoing offenses.

FEDERAL FIREARMS ACT (AS AMENDED TO SEPTEMBER 15, 1965) UNITED STATES CODE, TITLE 15, SECTIONS 901–910	COMMENT
SEC. 901. Definitions: As used in this chapter: (1) The term "person" includes an individual, partnership, association, or corporation.	No change in the definition of "person".
(2) The term "interstate or foreign commerce" means commerce between any State, Territory, or possession (not including the Canal Zone), or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession (not including the Canal Zone), or the District of Columbia, but through any place outside thereof; or within any Territory or possession or the District of Columbia.	"State" is defined to simplify and clarify various provisions of the Act. The Canal Zone is included in the definition. Previously, for unknown reasons, it was excluded. "Interstate commerce" has been modified to reflect the new definition of "state."
(3) The term "firearm" means any weapon, by whatever name known, which is designed to expel a projectile or projectiles by the action of an explosive and a firearm muffler or firearm silencer, or any part or parts of such weapon.	"Firearm" has been modified to exclude antique weapons made prior to 1898. Mufflers, silencers and minor parts removed from coverage. Mufflers and silencers are covered by the National Act. "Frame" and "receiver" are included.
	The definition of "handgun" is new. This is necessary because of mail-order restrictions placed on handguns in new provisions.
(4) The term "manufacturer" means any person engaged in the manufacture or importation of firearms, or ammunition or cartridge cases, primers, bullets, or propellent powder for purposes of sale or distribution; and the term "licensed manufacturer" means any such person licensed under the provisions of this chapter.	"Manufacturer" has been redefined to exclude manufacturers of ammunition, primers and powders. Also, minor changes are made in style.
(5) The term "dealer" means any person engaged in the business of selling firearms or ammunition or cartridge cases, primers, bullets or propellent powder, at wholesale or retail, or any person engaged in the business of repairing such firearms or of manufacturing or fitting special barrels, stocks, trigger mechanisms, or breech mechanisms to firearms, and the term "licensed dealer" means any such person licensed under the provisions of this chapter.	"Dealer" has been redefined to exclude ammunition, etc., and the word "special" has been stricken immediately preceding "barrels" since the Act should apply to gunsmiths even if they fit only "ordinary" barrels.
	"Pawnbroker" is new since higher license fees are proposed for the category of dealers.
	"Secretary" is defined to simplify later language.
	"Crime of violence" is new. It is taken from S. 2152, a proposed federal narcotics addict rehabilitation Act drafted by the Department of Justice.

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"(11) The term 'indictment' includes an indictment or any information in any court of the United States or in any Court of any State under which a crime of violence may be prosecuted.		The term "indictment" is new. It is taken from S. 1592 and S. 1965, but changed slightly.
"(12) The term 'fugitive from justice' means any person who has fled from any State to avoid prosecution for a crime of violence or to avoid giving testimony in any criminal proceeding."	(6) The term "fugitive from justice" means any person who has fled from any State, Territory, the District of Columbia, or possession of the United States to avoid prosecution for a crime punishable by imprisonment for a term exceeding one year or to avoid giving testimony in any criminal proceeding.	The term "fugitive from justice" is redefined in view of the new definition of "state."
	(7) The term "ammunition" shall include only pistol or revolver ammunition. It shall not include shotgun shells, metallic ammunition suitable for use only in rifles, or any .22 caliber rimfire ammunition.	The term "ammunition" is stricken from the Act and all other references are subsequently stricken, as this feature appears to be unenforced and unenforceable in the present Act.
Sec. 2. Section 2 of the Federal Firearms Act is amended to read:	Sec. 902. Transporting, shipping or receiving firearms or ammunition in interstate or foreign commerce; acts prohibited.	Sec. 2(a) of the Act is modified by removing "or ammunition" for the reason cited above.
"(a) It shall be unlawful for any manufacturer or dealer, except a manufacturer or dealer having a license issued under the provisions of this Act, to transport, ship, or receive any firearm in interstate or foreign commerce.	(a) It shall be unlawful for any manufacturer or dealer, except a manufacturer or dealer having a license issued under the provisions of this chapter, to transport, ship, or receive any firearm or ammunition in interstate or foreign commerce.	
"(b) It shall be unlawful for any person to receive any firearm transported or shipped in interstate or foreign commerce in violation of subsection (a) of this section, knowing or having reasonable cause to believe such firearm to have been transported or shipped in violation of said subsection.	(b) It shall be unlawful for any person to receive any firearm or ammunition transported or shipped in interstate or foreign commerce in violation of subsection (a) of this section, knowing or having reasonable cause to believe such firearms or ammunition to have been transported or shipped in violation of said subsection.	Sec. 2(b) is modified in the same way as Sec. 2(a).
"(c) It shall be unlawful for any licensed manufacturer or licensed dealer to ship or transport, or cause to be shipped or transported, any firearm in interstate or foreign commerce, to any person in any State where the receipt by such person of such firearm would be in violation of any statute of such state unless the licensed manufacturer or licensed dealer establishes that he was unable to ascertain with reasonable effort that the shipment would be in violation of such State law.	(c) It shall be unlawful for any licensed manufacturer or dealer to transport or ship any firearm in interstate or foreign commerce to any person other than a licensed manufacturer or dealer in any State the laws of which require that a license be obtained for the purchase of such firearm, unless such license is exhibited to such manufacturer or dealer by the prospective purchaser.	Sec. 2 (c) is modified and broadened so that it is a violation of the Federal Act for licensed dealers and manufacturers to ship in violation of ANY state law. The present provision applies only to those 8 states having state permit laws. There are many other states which have firearms control acts of one kind or another which would also be covered by the change.
"(d) It shall be unlawful for any person to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm to any person knowing or having reasonable cause to believe that such person is under indictment or has been convicted in any court of the United States or in any court of any State of a crime of violence or is a fugitive from justice.	(d) It shall be unlawful for any person to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm or ammunition to any person knowing or having reasonable cause to believe that such person is under indictment or has been convicted in any court of the United States, the several States, Territories, possessions, or the District of Columbia of a crime punishable by imprisonment for a term exceeding one year or is a fugitive from justice.	Sec. 2 (d) is modified to remove ammunition, to reflect the new definition of "State" and to substitute a "crime of violence" for "a crime punishable by imprisonment for a term exceeding one year." This change is made in view of the "Winchester" Amendment of 1965 which allows licensees who have been convicted of felonies unrelated to firearms crimes to continue in business. While the entire concept of applying the prohibitions of the Act to indicted persons seems to be questionable on constitutional grounds, the limited provision was retained so as not to be accused of 'coddling criminals.'
"(e) It shall be unlawful for any person who is under indictment or who has been convicted of a crime of violence, or who is a fugitive from justice to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm.	(e) It shall be unlawful for any person who is under indictment or who has been convicted of a crime punishable by imprisonment for a term exceeding one year or who is a fugitive from justice to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm or ammunition.	Narrowed to apply only to persons indicted or convicted of crimes of violence.
"(f) It shall be unlawful for any person who is under indictment or who has been convicted of a crime of violence, or who is a fugitive from justice, to receive any firearm which has been shipped or transported in interstate or foreign commerce.	(f) It shall be unlawful for any person who has been convicted of a crime punishable by imprisonment for a term exceeding one year or is a fugitive from justice to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce, and the possession of a firearm or ammunition by any such person shall be presumptive evidence that such firearm or ammunition was shipped or transported or received, as the case may be, by such person in violation of this chapter.	Narrowed to crimes of violence and language stricken which was declared unconstitutional in Tot case.
"(g) It shall be unlawful for any person to transport or ship or cause to be transported or shipped in interstate or foreign commerce any stolen firearm, knowing, or having reasonable cause to believe, such firearm to have been stolen.	(g) It shall be unlawful for any person to transport or ship or cause to be transported or shipped in interstate or foreign commerce any stolen firearm or ammunition, knowing, or having reasonable cause to believe, same to have been stolen.	Ammunition taken out.

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"(h) It shall be unlawful for any person to receive, conceal, store, barter, sell, or dispose of any firearm or to pledge or accept as security for a loan any firearm moving in or which is a part of interstate or foreign commerce, and which while so moving or constituting such part has been stolen, knowing, or having reasonable cause to believe such firearm to have been stolen.	(h) It shall be unlawful for any person to receive, conceal, store, barter, sell, or dispose of any firearm or ammunition or to pledge or accept as security for a loan any firearm or ammunition moving in or which is a part of interstate or foreign commerce, and which while so moving or constituting such part has been stolen, knowing, or having reasonable cause to believe the same to have been stolen.	Ammunition out and minor word change in last line for clarity.
"(i) It shall be unlawful for any person to transport, ship, or knowingly receive in interstate or foreign commerce any firearm from which the manufacturer's serial number has been removed, obliterated, or altered.	(i) It shall be unlawful for any person to transport, ship, or knowingly receive in interstate or foreign commerce any firearm from which the manufacturer's serial number has been removed, obliterated, or altered, and the possession of any such firearm shall be presumptive evidence that such firearm was transported, shipped, or received, as the case may be, by the possessor in violation of this chapter.	Ammunition out and unconstitutional lanuguage striken.
"(j) It shall be unlawful for any manufacturer or dealer knowingly to deliver, or cause to be delivered, to any common or contract carrier for transportation or shipment in interstate or foreign commerce, to persons other than licensed manufacturers or licensed dealers, any package or other container in which there is any handgun without written notice to the carrier that such handgun is being transported or shipped.		New provision that dealer must give written notice to carrier of handgun shipment.
"(k) It shall be unlawful for any common or contract carrier to deliver, or cause to be delivered, in interstate or foreign commerce any handgun to any person with knowledge or with reasonable cause to believe that such person is under twenty-one years of age.		Dealers can't ship handguns to persons under 21.
"(l) It shall be unlawful for any licensed manufacturer or licensed dealer to ship any handgun in interstate or foreign commerce to any person other than another licensed manufacturer or licensed dealer unless:		For mail-order sales of handguns to individuals, buyer must submit sworn statement that he is over 21, is not prohibited by Federal or State law, or local ordinance from purchasing the gun, and give the name of his local police chief.
"(1) such person has submitted to such manufacturer or dealer a sworn statement in such form and manner as the Secretary shall by regulation prescribe, containing the following information: (A) that such person is twenty-one years or more of age; (B) that he is not a person prohibited by this Act from receiving a handgun in interstate or foreign commerce; (C) that there are no provisions of law, regulations, or ordinances applicable to the locality to which the handgun will be shipped, which would be violated by such person's receipt or possession of the handgun; and (D) the title, name and official address of the principal law enforcement officer of the locality to which the handgun will be shipped;		
"(2) such manufacturer or dealer has, prior to the shipment of such handgun, forwarded by registered or certified mail (return receipt requested) to (A) the local law enforcement officer named in the sworn statement, or (B) the official designated by the Governor of the State concerned under this subsection, a description of the handgun to be shipped, (including the manufacturer, the caliber, the model and type of such handgun, but not including serial number identification) and one copy of the sworn statement, and has received a return receipt evidencing delivery of such letter, or such letter has been returned to such manufacturer or dealer due to the refusal of the named law enforcement officer or designated official to accept such letter in accordance with United States Post Office Department regulations; and		Dealer must send copy of sworn statement by registered or certified mail to police chief and get return receipt or notice of refusal.
"(3) such manufacturer or dealer has delayed shipment for a period of at least seven days following receipt of the notification of the local law enforcement officer's or designated official's acceptance or refusal of such letter. A copy of the sworn statement and a copy of the notification to the local law enforcement officer or designated official along with evidence of receipt or rejection		Dealer must delay 7 days after receiving notice back from police before delivery to buyer.

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of that notification shall be retained by the licensee as a part of the records required to be kept under section 3(d). For purposes of paragraph (2)(B), the Governor of any State may designate any official in his State to receive such notification for such State or any part thereof in lieu of the notification required by paragraph 2(A) and shall notify the Secretary of the name, title, and business address of such official and the Secretary shall publish in the Federal Register the name, title, and address of such official. Upon such publication, notification to the local law enforcement officers required under paragraph (2)(A) of this subsection will not be required for a period of 5 years from the date of such publication unless the request is withdrawn by the Governor of such State and such withdrawal is published in the Federal Register.		Governor of any state may designate an official to receive notices in lieu of any or all police chiefs.
"(m) It shall be unlawful for any licensed manufacturer or licensed dealer to sell or deliver for sale any handgun to any person other than another licensed manufacturer or licensed dealer who is not a resident of the State in which such manufacturer's or dealer's place of business is located and in which the sale or delivery for sale is made, unless such manufacturer or dealer has, prior to sale, or delivery for sale of the handgun, complied with the provisions of subsection (1) of this section.		Affidavit must be submitted for over-the-counter sales of handguns to out-of-state residents.
"(n) It shall be unlawful for any person in connection with the acquisition or attempted acquisition of a firearm from a licensed manufacturer or licensed dealer to "(1) knowingly make any false or fictitious statement, written or oral; or "(2) knowingly furnish or exhibit any false, fictitious, or misrepresented identification with the intention to deceive such manufacturer or dealer with respect to any fact material to the lawfulness of the sale or other disposition of a firearm by a licensed manufacturer or licensed dealer under the provisions of this section.		Unlawful for any purchaser of any firearm to make false statements or misrepresent material facts to dealer.
"(o) It shall be unlawful for any person to transport or receive in the State where he resides a firearm purchased or otherwise obtained by him outside the State where he resides if it would be unlawful for him to purchase or possess such firearm in the State (or political subdivision thereof) where he resides."		Unlawful for any state resident to receive a firearm from outside his state in violation of state law or local ordinance.
Sec. 3. Section 3 of the Federal Firearms Act is amended to read: "Sec. 3. (a) Any manufacturer or dealer desiring a license to transport, ship, or receive firearms in interstate or foreign commerce shall file an application for such license with the Secretary, in such form and containing such information as the Secretary shall by regulation prescribe. Each such applicant shall be required to pay a fee for obtaining such license as follows:	Sec. 903. License to transport, ship, or receive firearms or ammunition: (a) Any manufacturer or dealer desiring a license to transport, ship, or receive firearms or ammunition in interstate or foreign commerce shall make application to the Secretary of the Treasury, who shall prescribe by rules and regulations, the information to be contained in such application. The applicant, shall, if a manufacturer, pay a fee of $25 per annum, and, if a dealer, shall pay a fee of $1 per annum.	Ammunition taken out and minor word changes for clarity.
"(1) If a manufacturer of firearms, a fee of $50 per annum; "(2) If a dealer (other than a pawnbroker) in firearms, a fee of $10 per annum, except that for the first renewal following the effective date of the Federal Firearms Amendments of 1966 or for the first year he is engaged in business as a dealer such dealer will pay a fee of $25. "(3) If a pawnbroker, a fee of $50 per annum.		Manufacturers' fees increased from $25 to $50; dealers' fees increased from $1 to $25 the first year and $10 for renewals; new $50 fee for pawnbrokers.
"(b) Upon filing by a qualified applicant of a proper application and the payment of the prescribed fee, the Secretary shall issue to such applicant the license applied for, which shall, subject to the provisions of this Act, entitle the licensee to transport, ship,	(b) Upon payment of the prescribed fee, the Secretary of the Treasury shall issue to such applicant a license which shall entitle the licensee to transport, ship, and receive firearms and ammunition in interstate and foreign commerce unless and until the license	Ammunition taken out and 3 new requirements for obtaining Federal licenses are established:

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sell and receive firearms in interstate or foreign commerce during the period stated in the license. No license shall be issued pursuant to this Act	is suspended or revoked in accordance with the provisions of this chapter: *Provided,* That no license shall be issued to any applicant within two years after the revocation of a previous license.	
"(1) to any applicant who is under twenty-one years of age;		1. Applicant must be 21;
"(2) to any applicant, if the applicant (including, in the case of a corporation, partnership, or association, any individual who, directly or indirectly, has the power to direct or cause the direction of the management and policies of the corporation, partnership, or association) is prohibited by the provisions of this Act from transporting, shipping, selling or receiving firearms in interstate or foreign commerce; or		2. Must not have violated the Act;
"(3) to any applicant who has willfully failed to disclose any material information required, or made any false statement as to any material fact, in connection with his application.		3. Must not make false statements nor fail to disclose material facts.
"(c) The provisions of section 2 (d), (e), and (f) of this Act shall not apply in the case of a licensed manufacturer or licensed dealer who is under indictment for a crime of violence, provided that such manufacturer or dealer gives notice to the Secretary by registered or certified mail of his indictment within thirty days of the date of the indictment. A licensed manufacturer or licensed dealer who has given notice of his indictment to the Secretary, as provided in this subsection, may continue operation pursuant to his existing license during the term of such indictment, and until any conviction pursuant to the indictment becomes final, whereupon he shall be fully subject to all provisions of this Act, and operations pursuant to such license shall be discontinued.	(c) Whenever any licensee is convicted of a violation of any of the provisions of this chapter, it shall be the duty of the clerk of the court to notify the Secretary of the Treasury within forty-eight hours after such conviction and said Secretary shall revoke such license: *Provided,* That in the case of appeal from such conviction the licensee may furnish a bond in the amount of $1,000, and upon receipt of such bond acceptable to the Secretary of the Treasury he may permit the licensee to continue business during the period of the appeal, or should the licensee refuse or neglect to furnish such bond, the Secretary of the Treasury shall suspend such license until he is notified by the clerk of the court of last appeal as to the final disposition of the case.	Present provision that indicted dealers may continue in business is clarified and requirement for posting bond eliminated.
"(d) Each licensed manufacturer and licensed dealer shall maintain such records of production, importation, notification, shipment, sale and other disposal of firearms as the Secretary may by regulation prescribe."	(d) Licensed dealers shall maintain such permanent records of importation, shipment, and other disposal of firearms and ammunition as the Secretary of the Treasury shall prescribe.	Record keeping requirement is modified by striking 'permanent'. The Secretary is given discretion.
Sec. 4. Section 4 of the Federal Firearms Act is amended to read:		
"Sec. 4. (a) The provisions of this Act shall not apply with respect	Sec. 904. Excepted persons. The provisions of this chapter shall not apply with respect to the transportation, shipment, receipt, or importation of any firearm, or ammunition, sold or shipped to, or issued for the use of, (1) the United States or any department, independent establishment, or agency thereof; (2) any State, Territory or possession, or the District of Columbia, or any department, independent establishment, agency, or any political subdivision thereof; (3) any duly commissioned officer or agent of the United States, a State, Territory, or possession, or the District of Columbia, or any political subdivision thereof; (4) or to any bank, public carrier, express, or armored-truck company organized and operating in good faith for the transportation of money and valuables; (5) or to any research laboratory designated by the Secretary of the Treasury: *Provided,* That such bank, public carriers, express, and armored-truck companies are granted exemption by the Secretary of the Treasury; nor to the transportation, shipment, or receipt or any antique or unserviceable firearms, or ammunition, possessed and held as curios or museum pieces: *Provided,* That nothing contained in this section shall be construed to prevent shipments of firearms and ammunition to institutions, organizations, or persons to whom such firearms and ammunition may be lawfully delivered by the Secretary of the Army, nor to prevent the transportation of such firearms and ammunition so delivered in competitions.	Minor revisions are made for exemptions. "Public" carrier is stricken and "common or contract carrier" is substituted.
"(1) to the transportation, shipment, receipt, or importation of any firearms sold or shipped to, or issued for the use of (A) the United States or any department, independent establishment, or agency thereof; (B) any State or any department, independent establishment, agency, or any political subdivision thereof; (C) any duly commissioned officer or agent of the United States, a State or any political subdivision thereof; (D) any bank, common or contract carrier, express company, or armored-truck company organized and operating in good faith for the transportation of money and valuables, which is granted an exemption by the Secretary; or (E) any research laboratory designated as such by the Secretary; or		
"(2) to the transportation, shipment, or receipt of antique or unserviceable firearms possessed and held as a curio or museum piece.		

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"(b) Nothing contained in this Act shall be construed to prevent shipments of firearms to institutions, organizations, or persons to whom firearms may be lawfully delivered by the Secretary of Defense or his designee, nor to prevent the receipt or transportation of such firearms by their lawful possessors while they are engaged in military training or in competitions."		"Secretary of Defense" is substituted for "Secretary of Army."
SEC. 5. Section 5 of the Federal Firearms Act is amended to read:		
"SEC. 5 (a) Any person violating any of the provisions of this Act or any rules and regulations promulgated hereunder, or who makes any statement in applying for the license or exemption provided for in this Act, knowing or having reasonable cause to know such statement to be false, shall, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than ten years, or both, and shall become eligible for parole as the Board of Parole shall determine.	SEC. 905. Penalties: (a) Any person violating any of the provisions of this chapter or any rules and regulations promulgated hereunder, or who makes any statement in applying for the license or exception provided for in this chapter, knowing such statement to be false, shall, upon conviction thereof, be fined not more than $2,000, or imprisoned for not more than five years, or both.	"Or having reasonable cause to know" is added to Sec. 5(a); reference to the Internal Revenue Code is updated. The maximum penalty provisions are increased to $10,000 and ten years and authorization is given for parole of any sentenced violator of the Act in the discretion of the Board of Parole.
"(b) Any firearm involved in any violation of the provisions of this Act or any rules or regulations promulgated thereunder shall be subject to seizure and forfeiture, and all provisions of the Internal Revenue Code of 1954 relating to the seizure, forfeiture, and disposition of firearms, as defined in section 5848(1) of said Code shall, so far as applicable, extend to seizures and forfeitures incurred under the provisions of this Act."	(b) Any firearm or ammunition involved in any violation of the provisions of this chapter or any rules or regulations promulgated thereunder shall be subject to seizure and forfeiture, and all provisions of Title 26 relating to the seizure, forfeiture, and disposition of firearms as defined in section 2733 of Title 26 shall, so far as applicable, extend to seizures and forfeitures incurred under the provisions of this chapter.	Reference to the Internal Revenue Code is updated.
SEC. 906. Effective date of chapter: This chapter shall take effect thirty days after June 30, 1938.		No changes in Secs. 906–910 of the existing Act.
SEC. 907. Rules and regulations: The Secretary of the Treasury may prescribe such rules and regulations as he deems necessary to carry out the provisions of this chapter.		
SEC. 908. Separability clause: Should any section or subsection of this chapter be declared unconstitutional, the remaining portion of the chapter shall remain in full force and effect.		
SEC. 909. Short title: This chapter may be cited as the Federal Firearms Act.		
SEC. 910. Relief from disabilities resulting from conviction; application; public interest; publication in Federal Register: A person who has been convicted of a crime punishable by imprisonment for a term exceeding one year (other than a crime involving the use of a firearm or other weapon or a violation of this chapter or of the National Firearms Act) may make application to the Secretary of the Treasury for relief from the disabilities under this chapter incurred by reason of such conviction, and the Secretary of the Treasury may grant such relief if it is established to his satisfaction that the circumstances regarding the conviction, and the applicant's record and reputation, are such that the applicant will not be likely to conduct his operations in an unlawful manner, and that the granting of the relief would not be contrary to the public interest. A licensee conducting operations under this chapter, who makes application for relief from the disabilities incurred under this chapter by reason of such a conviction, shall not be barred by such conviction from further operations under his license pending final action on an application for relief filed pursuant to this section. Whenever the Secretary of the Treasury grants relief to any person pursuant to this section, he shall promptly publish in the Federal Register notice of such action, together with the reasons therefor.		
SEC. 6. The Federal Firearms Act is amended by adding at the end thereof the following new section:		
"SEC. 11. Nothing in this Act shall be construed as modifying or affecting the requirements of section 414 of the Mutual Security		New section is added so Federal Firearms Act will not be construed to modify existing law governing imports.

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Act of 1954, as amended, with respect to the manufacture, exportation, and importation of arms, ammunition, and implements of war."		
SEC. 7. The amendments made by this Act shall become effective on the first day of the sixth month beginning after the date of enactment of this Act.		Six month grace period is given before effective date of the amendments.
SEC. 8. This Act may be cited as the "Federal Firearms Amendments of 1966".		New section providing "Short Title" for the Amendments.

Comparison of major features of Hruska bill and S. 1592 (as revised):

HRUSKA BILL	S. 1592 (AS REVISED)
HANDGUNS	HANDGUNS
1. Affidavit procedure required for mail-order sales.	1. Mail-order sales prohibited.
2. Affidavit required for over-the-counter sales to nonresidents.	2. Prohibits such sales.
3. No such prohibition.	3. Prohibits imports of military surplus handguns.
4. Must be 21 to purchase.	4. Same requirement.
RIFLES AND SHOTGUNS	RIFLES AND SHOTGUNS
1. No such provision (but see unlawful acts section).	1. Affidavit required for mail-order sales.
2. No such provision.	2. Prohibits mail-order sales of military surplus.
3. No such requirement.	3. Must be 18 to purchase.
IMPORTS	IMPORTS
1. No special restrictions.	1. In addition to embargoes cited above, imports must: meet "recognized safety standards," be generally recognized as particularly suitable for, or adaptable to, sporting purposes.
DESTRUCTIVE DEVICES	DESTRUCTIVE DEVICES
1. No provisions. HRUSKA proposes that they be covered by amendment of National Firearms Act (Machine Gun Act).	1. Prior police approval required for sale. 2. Embargo on imports including weapons covered by "Machine Gun Act."
LICENSE FEES	LICENSE FEES
1. Dealers: $25 first year, $10 thereafter. 2. Manufacturers and importers: $50. 3. Pawnbrokers: $50. 4. Destructive devices: no special fee.	1. Same provision. 2. $500. 3. $250. 4. $1,000 for dealers, manufacturers, importers.
LICENSING REQUIREMENTS	LICENSING REQUIREMENTS
1. Applicant must be 21.	1. Same requirement.
2. Must not be prohibited by the Federal Firearms Act from shipping firearms.	2. Similar requirement.
3. Must not make false statements; must disclose material facts.	3. Similar requirement.
4. Covered by 2 above.	4. Must not have violated provisions of the Federal Act.
5. No such requirement.	5. Must be "likely to maintain operations in compliance with the Act."
6. No such requirement.	6. Must have "business premises."
AMMUNITION AND MINOR PARTS	AMMUNITION AND MINOR PARTS
1. These items are removed from coverage.	1. Ammunition (except for destructive devices) and parts removed from coverage.
UNLAWFUL ACTS	UNLAWFUL ACTS
1. Dealers can't ship firearms interstate in violation of any state law.	1. No such provision.
2. Must give written notice to carrier of firearms shipment.	2. Similar requirement, but package must be labeled.
3. Individuals can't bring firearms into state of residence in violation of Federal, state and local law.	3. No such requirement.
4. No such requirement.	4. Can't cross state lines with a firearm with intent to commit a felony (up to 10 years term and $10,000 fine).
5. Buyer can't knowingly make false statements or misrepresent material facts to dealer for any sale of any firearm.	5. Unlawful for dealer to sell any firearm to any person without complete identification and meet age and residence requirements previously stated; dealer absolutely criminally liable if buyer may not lawfully receive firearms by reason of Federal or state law, and local ordinance (no element of scienter required).
PENALTIES	PENALTIES
1. Present penalty provisions of Federal Firearms Act are increased from maximum fine of $2,000 and 5 years imprisonment to $10,000 fine and up to 10 years imprisonment, but eligibility for parole is given to the Board of Parole at any time after imprisonment.	1. No such provision, but see #4 in Unlawful Acts section.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3767) to amend the Federal Firearms Act, introduced by Mr. HRUSKA, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 3767

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Federal Firearms Act (52 Stat. 1250) is amended to read:

"That as used in this Act—

"(1) The term 'person' includes an individual, partnership, association, or corporation.

"(2) The term 'State' includes each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

"(3) The term 'interstate or foreign commerce' means commerce between any State and any place outside thereof; or between points within the same State, but through any place outside thereof; or within any possession or the District of Columbia.

"(4) The term 'firearm', except when the context otherwise requires, means any weapon, manufactured after the year 1898, by whatsoever name known, which will, or is designed to, or which may be readily converted to, expel a projectile or projectiles by the action of an explosive or the frame or receiver of any such weapon.

"(5) The term 'handgun' means any pistol or revolver originally designed to be fired by the use of a single hand and which is designed to fire or capable of firing fixed cartridge ammunition, or any other firearm originally designed to be fired by the use of a single hand.

"(6) The term 'manufacturer' means any person engaged in the business of manufacturing or importing firearms for purposes of sale or distribution. The term 'licensed manufacturer' means any such person licensed under the provisions of this Act.

"(7) The term 'dealer' means any person engaged in the business of selling firearms at wholesale or retail, or any person engaged in the business of repairing such firearms or of manufacturing or fitting barrels, stocks, or trigger mechanisms to firearms, or any person who is a pawnbroker. The term 'licensed dealer' means any dealer who is licensed under the provisions of this Act.

"(8) The term 'pawnbroker' means any person whose business or occupation includes the taking or receiving, by way of pledge or pawn, of any firearm as security for the repayment of money loaned thereon.

"(9) The term 'Secretary' means the Secretary of the Treasury or his designee.

"(10) The term 'crime of violence' includes voluntary manslaughter, murder, rape, mayhem, kidnaping, robbery, burglary, housebreaking, extortion accompanied by threats of violence, assault with a dangerous

weapon, assault with intent to commit any offense punishable by imprisonment for more than one year, arson punishable as a felony, or an attempt to commit any of the foregoing offenses.

"(11) The term 'indictment' includes an indictment or any information in any court of the United States, or in any Court of any State under which a crime of violence may be prosecuted.

"(12) The term 'fugitive from justice' means any person who has fled from any State to avoid prosecution for a crime of violence or to avoid giving testimony in any criminal proceeding."

SEC. 2. Section 2 of the Federal Firearms Act is amended to read:

"(a) It shall be unlawful for any manufacturer or dealer, except a manufacturer or dealer having a license issued under the provisions of this Act, to transport, ship, or receive any firearm in interstate or foreign commerce.

"(b) It shall be unlawful for any person to receive any firearm transported or shipped in interstate or foreign commerce in violation of subsection (a) of this section, knowing or having reasonable cause to believe such firearm to have been transported or shipped in violation of said subsection.

"(c) It shall be unlawful for any licensed manufacturer or licensed dealer to ship or transport, or cause to be shipped or transported, any firearm in interstate or foreign commerce, to any person in any State where the receipt by such person of such firearm would be in violation of any statute of such State unless the licensed manufacturer or licensed dealer establishes that he was unable to ascertain with reasonable effort that the shipment would be in violation of such State law.

"(d) It shall be unlawful for any person to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm to any person knowing or having reasonable cause to believe that such person is under indictment or has been convicted in any court of the United States or in any court of any State of a crime of violence or is a fugitive from justice.

"(e) It shall be unlawful for any person who is under indictment or who has been convicted of a crime of violence, or who is a fugitive from justice to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm.

"(f) It shall be unlawful for any person who is under indictment or who has been convicted of a crime of violence, or who is a fugitive from justice, to receive any firearm which has been shipped or transported in interstate or foreign commerce.

"(g) It shall be unlawful for any person to transport or ship or cause to be transported or shipped in interstate or foreign commerce any stolen firearm, knowing, or having reasonable cause to believe, such firearm to have been stolen.

"(h) It shall be unlawful for any person to receive, conceal, store, barter, sell, or dispose of any firearm or to pledge or accept as security for a loan any firearm moving in or which is a part of interstate or foreign commerce, and which while so moving or constituting such part has been stolen, knowing, or having reasonable cause to believe such firearm to have been stolen.

"(i) It shall be unlawful for any person to transport, ship, or knowingly receive in interstate or foreign commerce any firearm from which the manufacturer's serial number has been removed, obliterated, or altered.

"(j) It shall be unlawful for any manufacturer or dealer knowingly to deliver, or cause to be delivered, to any common or contract carrier for transportation or shipment in interstate or foreign commerce, to persons other than licensed manufacturers or licensed dealers, any package or other container in which there is any handgun without written notice to the carrier that such handgun is being transported or shipped.

"(k) It shall be unlawful for any common or contract carrier to deliver, or cause to be delivered, in interstate or foreign commerce any handgun to any person with knowledge or with reasonable cause to believe that such person is under twenty-one years of age.

"(l) It shall be unlawful for any licensed manufacturer or licensed dealer to ship any handgun in interstate or foreign commerce to any person other than another licensed manufacturer or licensed dealer unless:

"(1) such person has submitted to such manufacturer or dealer a sworn statement in such form and manner as the Secretary shall by regulation prescribe, containing the following information: (A) that such person is twenty-one years or more of age; (B) that he is not a person prohibited by this Act from receiving a handgun in interstate or foreign commerce; (C) that there are no provisions of law, regulations, or ordinances applicable to the locality to which the handgun will be shipped, which would be violated by such person's receipt or possession of the handgun; and (D) the title, name and official address of the principal law enforcement officer of the locality to which the handgun will be shipped:

"(2) such manufacturer or dealer has, prior to the shipment of such handgun, forwarded by registered or certified mail (return receipt requested) to (A) the local law enforcement officer named in the sworn statement, or (B) the official designated by the Governor of the State concerned under this subsection, a description of the handgun to be shipped, (including the manufacturer, the caliber, the model and type of such handgun, but not including serial number identification) and one copy of the sworn statement, and has received a return receipt evidencing delivery of such letter, or such letter has been returned to such manufacturer or dealer due to the refusal of the named law enforcement officer or designated official to accept such letter in accordance with United States Post Office Department regulations; and

"(3) such manufacturer or dealer has delayed shipment for a period of at least seven days following receipt of the notification of the local law enforcement officer's or designated official's acceptance or refusal of such letter.

A copy of the sworn statement and a copy of the notification to the local law enforcement officer or designated official along with evidence of receipt or rejection of that notification shall be retained by the licensee as a part of the records required to be kept under section 3(d). For purposes of paragraph (2)(B), the Governor of any State may designate any official in his State to receive such notification for such State or any part thereof in lieu of the notification required by paragraph 2(A) and shall notify the Secretary of the name, title, and business address of such official and the Secretary shall publish in the Federal Register the name, title, and address of such official. Upon such publication, notification to the local law enforcement officers required under paragraph (2)(A) of this subsection will not be required for a period of five years from the date of such publication unless the request is withdrawn by the Governor of such State and such withdrawal is published in the Federal Register.

"(m) It shall be unlawful for any licensed manufacturer or licensed dealer to sell or deliver for sale any handgun to any person other than another licensed manufacturer or licensed dealer who is not a resident of the State in which such manufacturer's or dealer's place of business is located and in which the sale or delivery for sale is made, unless such manufacturer or dealer has, prior to sale, or delivery for sale of the handgun, complied with the provisions of subsection (1) of this section.

"(n) It shall be unlawful for any person in connection with the acquisition or attempted acquisition of a firearm from a licensed manufacturer or licensed dealer to—

"(1) knowingly make any false or fictitious statement, written or oral; or

"(2) knowingly furnish or exhibit any false, fictitious, or misrepresented identification with the intention to deceive such manufacturer or dealer with respect to any fact material to the lawfulness of the sale or other disposition of a firearm by a licensed manufacturer or licensed dealer under the provisions of this section.

"(o) It shall be unlawful for any person to transport or receive in the State where he resides a firearm purchased or otherwise obtained by him outside the State where he resides if it would be unlawful for him to purchase or possess such firearm in the State (or political subdivision thereof) where he resides."

SEC. 3. Section 3 of the Federal Firearms Act is amended to read:

"SEC. 3. (a) Any manufacturer or dealer desiring a license to transport, ship, or receive firearms in interstate or foreign commerce shall file an application for such license with the Secretary, in such form and containing such information as the Secretary shall by regulation prescribe. Each such applicant shall be required to pay a fee for obtaining such license as follows:

"(1) If a manufacturer of firearms, a fee of $50 per annum;

"(2) If a dealer (other than a pawnbroker) in firearms, a fee of $10 per annum, except that for the first renewal following the effective date of the Federal Firearms Amendments of 1966 or for the first year he is engaged in business as a dealer such dealer will pay a fee of $25.

"(3) If a pawnbroker, a fee of $50 per annum.

"(b) Upon filing by a qualified applicant of a proper application and the payment of the prescribed fee, the Secretary shall issue to such applicant the license applied for, which shall, subject to the provisions of this Act, entitle the licensee to transport, ship, sell and receive firearms in interstate or foreign commerce during the period stated in the license. No license shall be issued pursuant to this Act—

"(1) to any applicant who is under twenty-one years of age;

"(2) to any applicant, if the applicant (including, in the case of a corporation, partnership, or asssociation, any individual who, directly or indirectly, has the power to direct or cause the direction of the management and policies of the corporation, partnership, or association) is prohibited by the provisions of this Act from transporting, shipping, selling or receiving firearms in interstate or foreign commerce; or

"(3) to any applicant who has willfully failed to disclose any material information required, or made any false statement as to any material fact, in connection with his application.

"(c) The provisions of section 2 (d), (e), and (f) of this Act shall not apply in the case of a licensed manufacturer or licensed dealer who is under indictment for a crime of violence, provided that such manufacturer or dealer gives notice to the Secretary by registered or certified mail of his indictment within thirty days of the date of the indictment. A licensed manufacturer or licensed dealer who has given notice of his indictment to the Secretary, as provided in this subsection, may continue operation pursuant to his existing license during the term of such indictment, and until any conviction pursuant to the indictment becomes final, whereupon he shall be fully subject to all provisions of this Act, and operations

pursuant to such license shall be discontinued.

"(d) Each licensed manufacturer and licensed dealer shall maintain such records of production, importation, notification, shipment, sale and other disposal of firearms as the Secretary may by regulation prescribe."

SEC. 4. Section 4 of the Federal Firearms Act is amended to read:

"SEC. 4. (a) The provisions of this Act shall not apply with respect—

"(1) to the transportation, shipment, receipt, or importation of any firearms sold or shipped to, or issued for the use of (A) the United States or any department, independent establishment, or agency thereof; (B) any State or any department, independent establishment, agency, or any political subdivision thereof; (C) any duly commissioned officer or agent of the United States, a State or any political subdivision thereof; (D) any bank, common or contract carrier, express company or armored-truck company organized and operating in good faith for the transportation of money and valuables, which is granted an exemption by the Secretary; or (E) any research laboratory designated as such by the Secretary; or

"(2) to the transportation, shipment, or receipt of antique or unserviceable firearms possessed and held as a curio or museum piece.

"(b) Nothing contained in this Act shall be construed to prevent shipments of firearms to institutions, organizations, or persons to whom firearms may be lawfully delivered by the Secretary of Defense or his designee, nor to prevent the receipt or transportation of such firearms by their lawful possessors while they are engaged in military training or in competitions."

SEC. 5. Section 5 of the Federal Firearms Act is amended to read:

"SEC. 5. (a) Any person violating any of the provisions of this Act or any rules and regulations promulgated hereunder, or who makes any statement in applying for the license or exemption provided for in this Act, knowing or having reasonable cause to know such statement to be false, shall, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than ten years, or both, and shall become eligible for parole as the Board of Parole shall determine.

"(b) Any firearm involved in any violation of the provisions of this Act or any rules or regulations promulgated thereunder shall be subject to seizure and forfeiture, and all provisions of the Internal Revenue Code of 1954 relating to the seizure, forfeiture, and disposition of firearms, as defined in section 5848(1) of said Code shall, so far as applicable, extend to seizures and forfeitures incurred under the provisions of this Act."

SEC. 6. The Federal Firearms Act is amended by adding at the end thereof the following new section:

"SEC. 11. Nothing in this Act shall be construed as modifying or affecting the requirements of section 414 of the Mutual Security Act of 1954, as amended, with respect to the manufacture, exportation, and importation of arms, ammunition, and implements of war."

SEC. 7. The amendments made by this Act shall become effective on the first day of the sixth month beginning after the date of enactment of this Act.

SEC. 8. This Act may be cited as the "Federal Firearms Amendments of 1966".

ADJUSTMENTS IN ANNUITIES UNDER THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

Mr. PELL. Mr. President, I introduce, for appropriate reference, a bill to provide adjustments in annuities under the Foreign Service retirement and disability system.

I am introducing this bill at the request of the Diplomatic and Consular Officers Retired, Inc. Their rationale and justification for this proposal has been forwarded to me. I ask unanimous consent that their statement be placed in the RECORD, along with the text of this bill.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 3768) to provide adjustments in annuities under the Foreign Service retirement and disability system, introduced by Mr. PELL, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

S. 3768

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 821(a) of the Foreign Service Act of 1946 is amended (1) by striking out the word "thirty-five" and substituting therefor the word "forty", and (2) by adding at the end thereof the following sentence: "The annuity as so computed shall not exceed 80 per centum of the average salary used to compute the annuity."

SEC. 2. Section 855 of the Foreign Service Act of 1946 is amended (1) by inserting "(a)" immediately after the section number, and (2) by adding at the end thereof the following new subsection:

"(b) The annuity of each former participant under the System, who retired prior to the effective date of this subsection, and who at the time of his retirement had creditable service in excess of thirty-five years, shall be recomputed on the basis of actual years of creditable service not in excess of forty years. Service which was not creditable under the System on the date a former participant retired, shall not be included as creditable service for the purpose of this recomputation. The annuities payable to such persons shall, when recomputed, be paid at the rates so determined, except that (1) no such annuity as recomputed shall exceed 80 per centum of the average salary used in computing the annuity, and (2) no such recomputation or any other action taken pursuant to this subsection shall operate to reduce the rate of the annuity any such person is entitled to receive under the System."

SEC. 3. Adjustments in annuity under this Act shall be paid to the nearest dollar.

SEC. 4. This Act shall become effective on the first day of the month following its enactment.

The statement, presented by Mr. PELL, is as follows:

STATEMENT BY THE DIPLOMATIC AND CONSULAR OFFICERS RETIRED, INCORPORATED (DACOR) TO JUSTIFY A LEGISLATIVE PROPOSAL TO PROVIDE ADJUSTMENTS IN ANNUITIES UNDER THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

1. Civil Service and Postal Retirees (the largest civilian group) now enjoy the benefit of a maximum of 80% of the high-five average salary (equivalent to 40 years' service under Foreign Service procedure) and have done so since the enactment of P.L. 80-426, approved February 28, 1948—eighteen years ago.

2. The President's Cabinet Committee on Federal Staff Retirement Systems recommended "that the Foreign Service maximum be increased to 80% (40 years) of the high-five average salary so that it equates to the Civil Service maximum." (89th Congress, 2nd Session, House Document No. 402, page 46, C. 2., "Decision", 3rd paragraph.)

3. The Committee was silent on the question of the extension of the 80% maximum to retired officers but it would seem that construed constructively the recommendation should in all justice apply to retired as well as active officers, particularly as the Committee, in referring to liberalization of benefit provisions, stated that Federal Staff Retirement Systems should "identify clearly and recognize the Government's responsibility for other costs, including those for past service liability and those for post-retirement adjustment of benefits." (Committee's Report, page 20, 6 (b)). Moreover, the Congress in P.L. 86-723, September 8, 1960, extended to retired officers an increase from 30 years to 35 years (60% to 70%), an increase which had been given to active officers in P.L. 84-828, July 28, 1956.

4. The cost as estimated by the Government Actuary would be only about $70,000 per year diminishing each year as the beneficiaries, whose average age is nearly 70, die.

FLAG CEREMONIES JOINT RESOLUTION

Mr. TOWER. Mr. President, I introduce today a joint resolution providing for appropriate ceremonies in connection with the raising and lowering of the flags surrounding the base of the Washington Monument.

My joint resolution is a companion to House Joint Resolution 421, introduced in the House last year by the Honorable BOB WILSON of California. A similar bill passed the House during the 88th Congress but failed to secure consideration in the Senate then. Congressman WILSON'S bill passed the House on July 18 of this year.

Mr. President, the joint resolution I introduce calls for consultations between the Secretary of Defense and the Secretary of the Interior prior to arrangements for appropriate ceremonies to be conducted in connection with the raising and lowering of the flags surrounding the Washington Monument.

It is my hope that if the Senate concurs in passage of this resolution, that the ceremonies can be inaugurated in a suitable manner and that they will come to be recognized and appreciated as among the finest traditions of our great Nation. The ceremonies would, I believe, do credit to the man whose memory is honored by the monument, to the finest military traditions of this country, and would give greater dignity to the act of raising and lowering our flag at the shrine.

It is my further hope that the ceremonies would come to be recognized as entertaining and significant parts of the ceremonial military tradition of this great Capital City, along with the changing of the guard at the tomb of the Unknown Soldier, and the evening parades at the Marine barracks.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 188) providing for appropriate ceremonies in connection with the raising and lowering of the flags of the United States surrounding the Washington Monument, in-

troduced by Mr. TOWER, was received, read twice by its title, and referred to the Committee on Armed Services.

EXPRESSION OF SENSE OF CONGRESS RELATING TO TREATMENT OF RHODESIA BY THE U.S. GOVERNMENT

Mr. EASTLAND. Mr. President, the Continent of Africa is divided between 49 African nations, many of which have emerged into statehood in the last decade.

The emergence of these new nations has been largely accompanied by economic chaos and political disorganization.

Catapulted into sovereignty and given full voice and vote in the United Nations, many of these countries have fallen prey to dictatorships or economic intimidation by the pro-Communist world.

Of the 49 nations of Africa, the U.S. taxpayer contributes largely to the fiscal support of 38 of these countries.

No less than $2,936 billion has been pumped into the sagging economies of the fledgling nations by the United States. Of this amount nearly $2 billion is in the form of grants which, of course, means that there is no prospect of recovering these funds.

We have been told that this foreign aid investment in the new nations of Africa has been required to keep these countries from falling prey to the Communists and to help them in the establishment of democracy.

With few exceptions Communist influence has not been lessened due to our foreign aid, the money has been squandered and pocketed by petty dictators and their henchmen and the economy of these countries has continued to decline. Fortunately, Mr. President, there are two bright spots on the Continent of Africa. One of these is the Republic of South Africa, a stable, prosperous pro-Western and anti-Communist government.

The other is Rhodesia, a country equally prosperous, anti-Communist and pro-Western.

The essential difference is that the United States does not recognize Rhodesia and her independence, while it does extend full diplomatic relations to the Republic of South Africa. Mr. President, as I have said in previous speeches, the legality of the Rhodesian independence is unquestioned and there is no doubt that our recognition would be in the best interest of the United States and Western civilization. I am offering a resolution which I hope will be acted upon promptly which will extend recognition to this gallant new nation.

Mr. President, opponents to recognition of Rhodesia appear to fall into two categories.

In the first category are those who believe we must support Great Britain as an ally in her dispute with Rhodesia. I do not agree with this philosophy. Britain maintains warships blockading Rhodesia and the United States has imposed economic sanctions on this peaceful country, yet, Britain has refused to recognize the same sanctions against North Vietnam, or to supply either naval or ground forces to fight communism in that country.

British trade with Cuba was further indication of how lightly Britain values cooperation with the United States on issues Britain chooses to ignore.

Mr. President, the second group of critics will claim that Rhodesia does not deserve recognition because its constitution and government are not fully democratic.

This is utterly untrue. The franchise in Rhodesia is extended to all men regardless of race, creed, or color, and the constitution of Rhodesia has been accepted by a vote of her population.

Let us look for a moment at some of the other countries of Africa to which we extend diplomatic relations and foreign aid.

Algeria, whose government is alternated between chaos and despotism, and is recognized by the United States, has enjoyed $161.9 million in U.S. aid.

Burundi and Rwanda are two countries formed in 1962 out of former Belgian territories. Since that time a civil war between Bahutu and Watusi has raged. The Prime Minister was assassinated, thousands were executed and these countries are on the verge of bankruptcy. We not only recognize these two nations, but Burundi has received $7.4 million in U.S. aid, and Rwanda has received $1.7 million.

Tanzania received $43.7 million in U.S. aid and although it is held as an African democracy, it has a strong Communist Party and is ruled by virtue of a dictator. In the army mutiny in 1964 the British troops had to restore order. In addition, Tanzania is a base for revolutionists and Red Chinese agents. Zanzibar, part of Tanzania, is completely in Communist hands.

Uganda achieved independence in 1962 and is recognized by the United States diplomatically and financially to the tune of $17.3 million. The Prime Minister of this country suspended the constitution in May of 1966 and in June a revolt in the army tore the country to pieces. Freedom fighters from Red China operate openly in this country and democracy is a farce.

Kenya, the home of the Mau Mau, has its independence and recognition by the United States, along with $35.7 million in foreign aid. Its government is despotic and takes money from Russia and China in addition to the United States. Yet, Kenya farm productions have dropped 80 percent since it received its independence.

Ghana, a prime example of African chaos, has received $163.6 million in U.S. aid, yet, the country has often been militantly anti-American and under Nkrumah, a dictatorship. A military coup has overthrown the dictator, but there is no duly elected government. Even with the vast amount of foreign aid, Ghana is on the verge of bankruptcy because of the amount of money it has spent promoting Communist revolutions in other African countries.

Nigeria is the most populous state in Africa with 55 million people, and she achieved independence in 1960. Since then we have spent $158 million in Nigeria, but Nigeria's economy and government are among the worst in Africa. Nigeria suffered a revolt in 1966 which slaughtered government officials and which has plunged the country into chaos. The trade deficit of Nigeria amounts to about $120 million. Recently another military coup has been perpetrated.

Gabon received its independence in 1960 and the U.S. taxpayer has contributed $4.8 million to this country, but its population remains uncivilized with one of the lowest literacy rates in Africa and an economy with an average per capita income of less than $120 per year.

Sudan won her independence in 1956 and has been given $89.9 million of American aid, yet, as late as 1964 one government after another was being overthrown by the military and the constitution was suspended in 1958.

Ethiopia, a traditional ally of the Western World, has received $232 million in foreign aid, yet, its per capita income is nearly the lowest in the world, it is ruled by a despot with no question of democratic government, but receives full diplomatic recognition by the United States.

Gambia, a tiny country of only 300,000 people, which received independence in 1963, and which has a full vote in the United Nations, has received more foreign aid in her short history than Rhodesia has in all 76 years.

Upper Volta has collected $5.5 million in foreign aid, lives in a state of emergency because of Communist subversion, and has a history of military coups and is ruled by a military dictator.

Guinea has collected more than $70 million of U.S. taxpayers' money, as well as Russian and Chinese aid, but despite this, the country is on the rocks.

Liberia, long on the American dole, has received $205 million, is ruled by President Tubman, a virtual dictator, who lives in a palace constructed at a cost of more than $24 million.

Senegal is another of the African democracies recognized by the United States and the recipient of more than $19 million. Yet, this country is in poverty and is ruled under a state of emergency declared in 1961. Revolutionary attempts are frequent.

Mali became independent in 1960, has received $15.8 million and is rife with corruption and poverty. Its Government is a tyranny, but this has not prevented them from serving their role as President of the Security Council of the United Nations.

Cameroon received $25 million from the United States, and although officially anti-Communist, the New York Times reports that some 70,000 have lost their lives in the internal struggles created by the Communists in that country.

Dahomey received its independence in 1960 and has collected about $9 million from U.S. taxpayers. In 1963 the President was deposed, Parliament dissolved and the Constitution suspended. This happened again in 1965, making it the third occasion since the independence of

that country. Yet, Dahomey has a seat at the United Nations and recognition by the United States.

Chad received independence in 1960 and has also received $4.2 million in U.S. taxpayers' money and the present head of its Government does not regard democratic procedures as appropriate. Members of Parliament are dismissed by him and prohibited from seeking reelection.

Ivory Coast, once one of the most prosperous countries of Africa, has received $25.9 million from the United States, but political freedom has been restricted while the President of that country lives in a luxurious $9 million palace complete with gun emplacements.

Sierra Leone has received $27.1 million of U.S. taxpayers' money. Yet, a commission of inquiry found that about 25 percent of the gross national product went into private pockets. The Government is considered highly unstable.

Central African Republic has received only $2.8 million since it became independent in 1960, and in 1966 the government was overthrown by the military, and strong Communist China influence is observed. In 1964 the Red Chinese loaned nearly $100 million to this country.

Zambia, which is being supported today not only by foreign aid from the United States to the amount of $30 million, but also through the bolstering of the Zambian economy through air lifts by U.S. aircraft to support the embargo on Rhodesia. Communists are very active in Zambia and murders and atrocities are common occurrences. Of a total population of over 3 million, only 350,000 are considered gainfully employed.

Malaii is nearly at war with Tanzania, has strained relations with Zambia and the country is emersed in poverty. They have been given $8.2 million of U.S. taxpayers' money.

In addition, the following countries have also visited the U.S. Treasury: Tunisia has received $461 million; Togo $9.8 million; Somali $47.3 million; Niger $8.8 million; Morocco $486.9 million; Mauritania $2.8 million; Malagasy $7.9 million; Libya $215.3; the Congo—Leopoldville—$314.1 million; and the Congo—Brazzaville—$2.4 million.

Nor, does this list complete the expenditures of U.S. taxpayers' money in Africa to support corrupt and often unfriendly regimes.

By contrast Rhodesia and the Republic of South Africa have favorable balances of trade, as well as minerals and agricultural products needed and imported by the United States.

To continue to deny legitimate recognition for Rhodesia is folly.

This is a time when we should treasure such allies and do our utmost to bring them closer to us.

I submit a resolution expressing the sense of the Congress about the treatment of Rhodesia by the U.S. Government, and ask that it be appropriately referred.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, under the rule, the resolution will be printed in the RECORD.

The resolution (S. Res. 297) was referred to the Committee on Foreign Relations, as follows:

S. RES. 297

Resolved, Whereas Rhodesia has been a self-governing colony within the British Commonwealth since 1923:

Whereas the constitutionally elected Government of Rhodesia, with the full support of the Council of Chiefs, declared Rhodesia's independence on November 11, 1965;

Whereas the subsequent dispute concerning Rhodesia's declaration of independence is solely a matter for settlement between herself and Great Britain (just as our own independence was a matter between ourselves and Great Britain);

Whereas Rhodesia is not hostile to the United States nor an enemy of the United States either under international law or under the laws of the United States;

Whereas the Prime Minister of Rhodesia has offered Rhodesian troops and supplies to assist the United States in Vietnam;

Whereas United States citizens continue to be warmly welcomed in Rhodesia and our Government representatives there are still accorded full consular privileges;

Whereas Rhodesia is one of the very few countries in Africa which pays her own way and receives no U.S. aid and that trade between our two countries had been running two to one in our favor, all on a commercial basis with no subsidies, thereby assisting our balance of payments;

Whereas according to the Constitution (Article 1, Section 8, Paragraph 3) only the Congress has power to regulate commerce with foreign nations and the Executive has no legal authority to block trade except under laws which control trading with the enemy;

Whereas the United States Government, without any authority from the Congress or the American people, has adopted and encouraged a stringent policy of economic sanctions against Rhodesia;

Whereas as part of this policy, the United States Government is participating in a costly and totally unnecessary operation to transport oil and copper to and from Zambia by uneconomic and inadequate routes, the normal route being over Rhodesia railways which are still freely available to Zambia;

Whereas the integrity of United States banking institutions has been damaged by the action of the United States Government in ordering that assets of the Reserve Bank of Rhodesia held in the United States be frozen, this solely at the behest of the British Government whose authority over these assets has not been proved;

Whereas the United States Government turned back a cargo of Rhodesian sugar sold and shipped to United States citizens before Rhodesia's declaration of independence, thus causing forfeiture of a valid contract;

Whereas United States citizens have extensive commercial interests in Rhodesia which have been severely damaged by the arbitrary application of economic sanctions;

Whereas said United States citizens have even been prevented from performance of valid contracts and other legal and moral obligations, to their present and future great loss;

Whereas economic sanctions will deprive thousands of Africans from Rhodesia and from neighboring countries of their livelihoods in the virile Rhodesian economy, to force the closure of African schools and hospitals, to bring misery and starvation to many thousands of African families and to destroy one of the remaining stable governments on the African continent. Therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that the United States Government immediately cease its inhumane, illegal, arbitrary, unfair, harmful, and costly policy of economic sanctions again Rhodesia; take necessary steps to compensate United States citizens for any financial losses incurred as a result of said policy; and resume this Nation's former policy of honorable self-interest toward this friendly country.

CREATION OF A SELECT COMMITTEE ON TECHNOLOGY AND THE HUMAN ENVIRONMENT

Mr. MUSKIE. Mr. President, I submit, for appropriate reference, a Senate resolution for the creation of a Select Committee on Technology and the Human Environment. I ask unanimous consent that it remain at the table for 1 week to allow those Senators who wish to join in sponsoring the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, the genesis of this resolution is a problem confronting all of us. Each day we are asked to make decisions on legislation which may have profound implications in the years ahead. But we are conscious of our inadequate knowledge of tomorrow and of the rapid changes changing technology is making in our environment. We are also conscious that too often we do not have the time or the resources to make use of the information which is available.

Too often we have heard criticism of our reliance on noncongressional sources for the basic data and evaluations which lead us to the decisions we make. It has been suggested that with our limited staffs and time demands, we are at the mercy of the vast resources of the executive branch, which can develop and mold information to lead us to their conclusions.

The suggestion is an overexaggeration, but has a semblance of truth, and I fear that it will be a growing truth. I fear this because of the way we must deal with legislation. Our environment cannot be neatly divided into simple components. There is an interrelationship between our urban growth and our natural resources program as there is between transportation and housing, health and pollution. Yet the Senate must, in order to conduct its business, divide itself into committees to consider separate aspects of legislation affecting human environment.

Mr. President, these committees have, in the past few years, become inundated with legislative proposals. Little or no time is available to collect or evaluate information on the future nature of our environment.

We are forced to succumb to the demand to do the immediate. More and more we find that we do not have the answers we need or that we have to rely on our confidence in work done outside of Congress because the time is not available to do the job.

Complicating this matter is the fact that more and more legislative commit-

tees are finding that part of their answers lie in the work of other legislative committees.

What I am proposing is a means to alleviate the time pressures on the standing committees and to assure that needed information is not overlooked. This can be done with a select study committee composed of members from legislative committees with interrelating interests.

I do not propose this as a permanent committee, a legislative committee or an all-encompassing one. There is one area for which we have a vital need to begin accumulating knowledge now. That is the effect on human environment of technological change during the next 50 years.

In no way will this interfere with the responsibilities of the standing committees. The select committee would be able to supply to the standing committees assistance not now available and which the standing committees do not have the time to do for themselves.

Specifically, the select committee would be a study committee and will not have authority to consider legislation. It will attempt to assemble and evaluate information relative to technological change and what this change will mean to the human environment.

We need to know not just what the Federal Government may have to do in the future because of technological change, but what all levels of government should be doing. Indeed, we need to know just as well what to expect from the private sector of our economy as well as government.

The select committee could examine, for example, the relationship of technological change on transportation, water supply and use, education, general construction and the distribution of the population in the next 50 years.

A few of the questions which could be probed are:

What factors will affect population distribution and profile and how should public investment in public works be related?

What will be the character of urban areas in the year 2000 and how will public and private planning and investment in public facilities affect this character?

What technological advances will be necessary to maintain the character of the urban area consistent with a high standard of environment?

How will predictable technological change affect the cost and availability of public works and facilities?

What will be the relative values and impact on urban development of varying modes of transportation affected by technological change?

How will technological change affect housing and what will be the relationship of such effect on water resources and parks and open spaces?

More specifically, these questions would be translated into examinations of the following problems, which are of concern in part to several standing committees. These problems are:

Planning and programing of community development, including education, communications and housing.

Transportation.

Water supply and waste treatment.

Air pollution control.

Parks, recreation, and open spaces.

Power supplies, technological advances, and automation.

Public facilities.

A study of this nature will not change legislative jurisdiction, but since individual committees are not in a position to cover the whole range of related subjects, the select committee will perform a useful service for each and all of the standing committees.

Mr. President, this select committee should be able to do its job in 3 years, and the job it does should make it easier for the standing committees to decide the character of the legislation they will have to consider in the next 10 years.

I believe the proposed select committee would improve the quantity and quality of information available to the standing committees, increase the capacity of the Senate to deal with the increasingly complex problems of our world, and enable us to do a more effective and coordinated job of conserving and improving the quality of our environment. I hope early approval can be given to this resolution.

Mr. President, I ask unanimous consent that the text of Senate Resolution 298, be printed at this point in the RECORD.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, without objection, the resolution will be printed in the RECORD.

The resolution (S. Res. 298) was referred to the Committee on Government Operations, as follows:

S. RES. 298

Whereas man's ability to alter and control his environment through the use of new technology is increasing at an accelerating rate, bringing new problems as well as benefits; and

Whereas in the next fifty years, technological change will require a greater use of and have a substantial impact on the natural and human resources of the Nation; and

Whereas it is essential to the continued welfare of the United States that appropriate public and private planning and investment in resource development, transportation, housing, education, communications, community development, water resources (including oceanography), power supplies, technology, automation, and public works be made to improve the quality of man's environment; and

Whereas the Senate, in order to evaluate properly the probable needs for public and private investment in these areas over the next fifty years, should have recommendations and information relative to needed programs and their character, extent, and timing: Now, therefore, be it

Resolved, That (a) there is established a select committee of the Senate to be known as the Select Committee on Technology and the Human Environment (hereinafter referred to as the "Select Committee") consisting of fifteen Members of the Senate to be designated by the President of the Senate, as follows:

(1) three from among Senators who are members of the Committee on Banking and Currency;

(2) three from among Senators who are members of the Committee on Commerce;

(3) three from among Senators who are members of the Committee on Interior and Insular Affairs;

(4) three from among Senators who are members of the Committee on Labor and Public Welfare;

(5) three from among Senators who are members of the Committee on Public Works; and

(6) at least one such Senator appointed from each such committee shall be a member of the minority party.

The Select Committee shall select by a majority vote of the members thereof a chairman from among such members.

(b) Vacancies in the membership of the Select Committee shall not affect the authority of the remaining members to execute the functions of the Committee.

(c) A majority of the members of the Select Committee shall constitute a quorum thereof for the transaction of business, except that the Select Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony. The Select Committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(d) No legislative measure shall be referred to the Select Committee, and it shall have no authority to report any such measure to the Senate.

(e) The Select Committee shall cease to exist on January 31, 1970.

SEC. 2. (a) It shall be the duty of the Select Committee to conduct a comprehensive study and investigation of (1) the character and extent of technological changes that probably will occur and which should be promoted within the next fifty years and their effect on population, communities, and industry, including but not limited to the need for public and private planning and investment in housing, water resources (including oceanography), education, automation affecting interstate commerce, communications, transportation, power supplies, welfare, and other community services and facilities; and (2) policies that would encourage the maximum private investment in means of improving the human environment, for the purpose of making the recommendations of the Select Committee and the results of such study and investigation available to the Senate and the committees thereof in considering policies for public investment and encouraging private investment.

(b) On or before January 31, 1970, the Select Committee shall submit to the Senate for reference to the appropriate legislative committees a final report of its study and investigation together with its recommendations. The Select Committee may make such interim reports to the appropriate legislative committees of the Senate prior to such final report as it deems advisable.

SEC. 3. (a) For the purposes of this resolution, the Select Committee is authorized to (1) make such expenditures; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony orally or by deposition; and (7) employ and fix the compensation of such technical, clerical, and other assistants and consultants as it deems advisable, except that the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949, as amended, for comparable duties.

(b) Upon request made by the members of the Select Committee selected from the minority party, the Committee shall appoint one assistant or consultant designated by such members. No assistant or consultant

appointed by the Select Committee may receive compensation at an annual gross rate which exceeds by more than $2,100 the annual gross rate of compensation of any individual so designated by the members of the Committee who are members of the minority party.

(c) With the prior consent of the department or agency concerned, the Select Committee may (1) utilize the services, information, and facilities of the General Accounting Office or any department or agency in the executive branch of the Government, and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee thereof, the Select Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the chairman of the Select Committee determines that such action is necessary and appropriate.

(d) Subpenas may be issued by the Select Committee over the signature of the chairman or any other member designated by him, and may be served by any person designated by such chairman or member. The chairman of the Select Committee or any member thereof may administer oaths to witnesses.

SEC. 4. The expenses of the Select Committee, which shall not exceed ———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Select Committee.

INCREASES IN ANNUITIES PAYABLE FROM THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND—AMENDMENT

AMENDMENT NO. 770

Mr. PELL. Mr. President, I submit an amendment intended to be proposed by me to S. 3247, the bill to provide certain increases in annuities payable from the Foreign Service retirement and disability fund. I ask unanimous consent that it be printed in the RECORD.

S. 3247 provides that Foreign Service retirement annuities reflect rises in the cost of living by proportionate increases.

Briefly, my proposal would require that when the cost of living decreases, a study be made to determine whether or not the annuities should reflect the decrease by being adjusted downward.

The ACTING PRESIDENT pro tempore. The amendment will be received and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment was referred to the Committee on Foreign Relations, as follows:

On page 3, at the end of line 6, insert the following:

"In the event the Secretary determines that the price index shall have equaled a decrease of at least 3 per centum for three consecutive months under the price index for the latest base month, he shall make a detailed study to determine whether or not the annuities payable from the Fund should be adjusted to reflect the percentage decrease in the price index. In making such study the Secretary shall consider the specific items for which prices decreased, the likelihood of any further consecutive decreases in the price index, the type or types of annuities which should be adjusted, if any, and the extent of any such adjustment, and all other factors with respect to whether or not any such annuities should be adjusted. Upon the completion of any such study, the Secretary shall transmit to the President and Congress a full report thereon, together with his determination as to whether or not any such annuities should be adjusted and his recommendations for any legislation which he deems to be necessary or appropriate."

FAIR LABOR STANDARDS AMENDMENTS OF 1966—AMENDMENTS

AMENDMENTS NOS. 771 AND 772

Mr. THURMOND submitted two amendments, intended to be proposed by him, to the bill (H.R. 13712) to amend the Fair Labor Standards Act of 1938 to extend its protection to additional employees, to raise the minimum wage, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 773

Mr. ROBERTSON submitted amendments, intended to be proposed by him, to House bill 13712, supra, which were ordered to lie on the table and to be printed.

(See reference to the above amendment when submitted by Mr. ROBERTSON, which appears under a separate heading.)

AMENDMENT NO. 774

Mr. SMATHERS submitted amendments, intended to be proposed by him, to House bill 13712, supra, which were ordered to lie on the table and to be printed.

(See reference to the above amendment when submitted by Mr. SMATHERS, which appears under a separate heading.)

COSPONSORS OF S. 3703, A BILL TO PROTECT THE CONSTITUTIONAL RIGHTS OF EMPLOYEES OF THE EXECUTIVE BRANCH OF THE GOVERNMENT AND TO PREVENT UNWARRANTED GOVERNMENTAL INVASIONS OF THEIR PRIVACY

Mr. ERVIN. Mr. President, I ask unanimous consent that the following 33 Senators, listed in the order in which their request to cosponsor was received, be added as sponsors of S. 3703, a bill introduced on August 9 to protect the employees of the executive branch of the U.S. Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasion of their privacy: Mr. FONG, Mr. BAYH, Mr. HRUSKA, Mr. SMATHERS, Mr. BURDICK, Mr. TYDINGS, Mr. DIRKSEN, Mr. BIBLE, Mr. RUSSELL of South Carolina, Mr. MCCARTHY, Mr. BENNETT, Mr. FANNIN, Mr. YOUNG of Ohio, Mr. YARBOROUGH, Mr. BYRD of Virginia, Mr. BARTLETT, Mr. MUNDT, Mr. THURMOND, Mr. MCINTYRE, Mr. SPARKMAN, Mr. CANNON, Mr. MILLER, Mr. SIMPSON, Mr. JORDAN of North Carolina, Mr. ALLOTT, Mr. MUSKIE, Mr. INOUYE, Mr. SALTONSTALL, Mr. WILLIAMS of New Jersey, Mr. TOWER, Mr. PROUTY, Mr. BREWSTER, and Mr. GRIFFIN.

Mr. President, I ask unanimous consent that at the next printing of S. 3703 the names of all sponsors be listed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ERVIN. In addition to these cosponsors, I have also received letters of support from a number of other Senators.

The broad geographical and political representation reflected in this cosponsorship and support of S. 3703 reveals, in my opinion, the nationwide, bipartisan interest in protecting the constitutional rights of employees.

Mr. President, when one-third of the Members of the Senate cosponsor a bill of this sort, the magnitude of the problem should no longer be ignored.

Yet the employee complaints which continue to pour into the Constitutional Rights Subcommittee and into other congressional offices show that little effort has been made to review some of the problems.

Mr. President, all of us hope that amendments can be drawn to clarify even more precisely the scope of the bill and define better the proper balance between the individual's right to privacy about matters unrelated to his work and the Government's need to know about the employee's fitness for his job. We hope, too, that if other areas of encroachment upon liberties come to our attention during preliminary hearings, they can be included in the bill. For instance, one important area of due process protection escaped inclusion. This is the employee's right of confrontation in adversary proceedings. Although this right to some extent is accorded by judicial decision and by regulations of some agencies in certain matters, our subcommittee studies show that it is not firmly grounded either as an administrative or a statutory protection for Federal employees. Amendment of the bill in this respect will be discussed during hearings.

All 33 cosponsors of S. 3703 are agreed on their unqualified endorsement of the purpose of the bill—to provide additional protection for the privacy of over two and a half million citizens and their families who are associated with the Federal Government on a regular or part-time basis.

I believe the hearings on this bill, in addition to showing any necessary amendments, will also provide for a long overdue examination of some of the problems which have persistently bedeviled the Federal service for the past 15 years. The hearings, furthermore, should allow Congress to consider the issues raised by the excesses of newer management devices now being used zealously, but heedlessly, to invade employee and applicant privacy in the name of efficiency or the Government's right to know intimate details of the individual's life, national origin, his habits, and thoughts.

I want to make it clear that this bill is not indicative of criticism of the entire Federal service. Indeed, the civil service is characterized by the highest competency and integrity. The bill is, rather, a proposed checkmate against the activities of those who, in their zeal to increase efficiency or to further a worthwhile cause, increasingly seize on quickest or most scientific means to their ends, but seldom pause to consider the

effects on the individuals involved, or the practical operation of the system they propose. These are not men of malevolence bent on consciously destroying the rights of fellow employees. They are men engaged in compartmentalized planning of programs to prevent conflict of interest, promote equal opportunity, protect national security, insure emotional stability of employees, and achieve other goals.

As I have said before, I believe the Federal Government can achieve these ends in a manner consistent with traditional standards of due process, fairness, and equity which have always been inherent in our system of government. I see no need, no impending crisis, to cause a departure from them at this juncture in our national history. Yet, Congress, by its silence in the face of growing discontent on the part of the public and of civil servants alike seems to have sanctioned such a departure where Federal employees are concerned.

Writers who are experts in Federal civil service matters have recently called attention to a general dissatisfaction among employees and their families, to the high turnover rate, and to personnel recruitment problems of the Federal Government. Among the reasons for these trends, according to Joseph Young and Jerry Kluttz, is the resentment over the "big brother" attitude of the Federal Government toward its employees, and over the invasions of privacy and economic coercions currently practiced.

I ask unanimous consent that articles by Joseph Young from the Evening Star of August 19 and the Sunday Star of August 21; and by Jerry Kluttz, from the Washington Post of August 21; an editorial in the NAIRE 12th District Bulletin for August; and a letter from Philip O'Rourke, 12th district governor for the National Association of Internal Revenue Employees be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Evening Star, Aug. 19, 1966]

FINANCIAL AFFAIRS PROBE GROWS, MAY HIT HUNDREDS OF THOUSANDS

(By Joseph Young)

The specter of "big brother" in government continues to grow.

What started out as a perusal of the financial affairs of a few hundred top government officials or a few thousand at the most is now developing into financial snooping into the affairs of hundreds of thousands of federal and postal workers.

It's one of the many invasions of federal employes' privacy such as questionnaires they must fill out to list their race and nationality, the pressure to buy saving bonds, orders to participate in outside activities that carry forward the Johnson administration's sociological programs, etc.

One of the things that has government employes angriest at the moment is the financial statements they are required to fill out, not only for themselves but for all blood relations who live under the same roof with them.

When President Johnson issued his code of ethics executive order and the Civil Service Commission subsequently issued regulations to carry it out, the announcement was made that it would apply only to several hundred top executives and perhaps several thousand government officials involved directly in the awarding of contracts it was explained that these financial reports were required to prevent any conflict of interests.

But agencies have gone hog-wild, according to reports gathered by the Senate Constitutional Rights subcommittee headed by Sen. SAM ERVIN, D-N.C., which has directed all departments and agencies to report to the group on how many employes are being required to file financial statements.

Although many of the big departments and agencies have yet to be heard from such as the Defense Department, the reports thus far show that more than 60,000 federal workers are being required to file financial reports.

When the big departments are heard from, ERVIN expects the number of employes involved will be at least several hundred thousand, probably more.

For example, Navy is requiring all grade 13 and above employes in many of its bureaus to file financial reports.

Privacy attacked—The scope of the financial report requirements varies from agency to agency, but most are very comprehensive.

Employes are required to list all of their financial holdings, including stocks and bonds, money in the bank, including valuables in safety deposit boxes. This also holds true for their spouses' holdings as well as that of their children and any other relatives living with them such as mothers, fathers, inlaws, etc.

In many cases, employes are asked to list all their debts, the amount of the mortgage on their homes, what they owe on television sets, refrigerators, etc.

Employes in grades as low as GS-3 are required to participate in some cases. Smithsonian Institution requires that GS-3 must disclose their personal finances.

In some instances, agencies are using the information to pressure employes to retire on the grounds that "you are well off financially and don't have to work anymore," Senator ERVIN reports.

The Post Office Department, one of the few major departments to report to the Senate committee thus far, requires 10,000 regular employees to disclose their personal finances. How their financial status would result in a conflict of interest is not explained by the department, it has 513 "ethical conduct counselors" to enforce its financial statement requirement.

The State Department requires 1,500 of its employes to bare their financial situation, including interior decorators employed by the department.

The Department of Health, Education and Welfare has 9,420 of its employees disclosing their finances, while 8,030 in Treasury must report.

The effects on employes are humiliation and indignation.

There already are instances of very able employes, whose services are desperately needed by government, resigning and taking private industry jobs because of their resentment of the financial questionnaires.

Some government personnel officials gloomily predict there will be additional losses to the government.

They also predict it will make tougher the government's job of recruiting outstanding college graduates and other top-flight people for government jobs.

[From the Washington (D.C.) Sunday Star, Aug. 21, 1966]

ADMINISTRATION HIGHHANDEDNESS BLAMED FOR EMPLOYEE RESENTMENT

(By Joseph Young)

There is an air of discontent and restlessness among government employes these days. It stems from a number of things, but the general dissatisfaction comes from what is felt to be the high-handedness of the Johnson administration in dealing with government workers.

The unrest and resentment is manifested by the drive by some delegates at the various postal and federal employe union conventions to scrap the no-strike pledges in their constitutions.

Of course, this in itself would be meaningless, since the law specifically prohibits strikes against the government. But those advocating eliminating the no-strike pledge feel it would serve notice that employes are "fed up" with present conditions.

All these moves were defeated by the national leaderships of the unions, who believe such actions would do more harm than good. The National Postal Union at its convention voted to explore the feasibility of testing the constitutionality of the no-strike law, but retained the no-strike pledge in its constitution.

But the very fact that "strike" in being mentioned shows the present low state of morale in government.

"Economic strait-jacket"—Perhaps the biggest complaint among federal employes is what they feel is the "economic straitjacket," imposed on them by the Johnson administration.

They bitterly resented President Johnson's edict to Congress last year, which was prepared to vote them a raise of 9 to 10 percent over a two-year period or even full comparability which would have been more, that it limit its approval to 3.6 percent or he would veto the bill.

They equally resented the President's action this year in flatly refusing to go along with more than a 2.9 percent raise. Fuel was added to the fire when Johnson, in signing the bill, implied that government workers would be the culprits if any widespread inflation developed.

Employes and their leaders feel strongly that they have fallen considerably behind workers in the private sector where labor-management contracts have exceeded 3.2 percent, sometimes by a considerable margin. Rather than causing inflation, they feel they are the victims of it as their purchasing power continues to shrink.

Big Brother—Government employees are also resentful of what they believe is the "papa-knows-best" attitude of the Johnson administration reflected in working conditions and policies.

They also resent the pressures brought to bear to make them purchase savings bonds, fill out applications in which they are required to list their race and nationality, etc.

Employees are very much angered over having to disclose their complete financial holdings and that of the immediate members of their families. This includes stocks and bonds, money in the bank, property owned, debts, mortgages, etc.

This financial report originally was supposed to apply to only several hundred or several thousand at most who were in top jobs or in positions involving awarding of contracts, but it is being applied on a mass basis.

The employees resent such questions, feeling that it is a reflection on their integrity and honesty.

Other side of coin—On the other hand, employees are sometimes apt to forget quickly.

The Johnson administration has a lot of constructive things to its credit. It has proposed pay raises every year, even though they may have been smaller than employees liked. This makes the Johnson administration the only administration in history—save the Kennedy administration—which on its own has proposed pay raises every year. And in 1964 Johnson put his reputation on the line to successfully resurrect the pay bill that had been killed by the House.

The Johnson administration also initiated the new progressive moving expenses law, the 55–30 and 60–20 full retirement annuity law, greater promotion rights for women and minority groups, etc. The President also has strongly supported the government's labor-management law.

Consequently, the situation isn't one-sided by any means. But the administration of late has taken a cavalier attitude toward its employees and the employees resent it. Some consultation by top administration officials and employee leaders could conceivably result in a better relationship and rapport between government and its employees.

[From the Washington Post, Aug. 21, 1966]

SIGNS OF EMPLOYEE UNREST SPREAD

(By Jerry Kluttz)

Symptoms of Federal employe unrest are springing up in many different areas.

Persons in and out of Government have expressed shock and dismay that Federal workers would even mention the thought of strikes and demonstrations against Uncle Sam. They have assumed that such things could never happen in this country.

Generally, Federal officials, caught by surprise, have been very cautious in commenting on the militant stance being taken by employes and their organizations; however, they are showing concern and perhaps a degree of exasperation with it. A high Federal personnel official commented:

"Frankly, we honestly believe the unrest is unjustified and we aren't exactly sure what's bothering our employes and their organizations. We feel they should look at the record of what has been done for them over the past five or six years and not over the past year or several months. That record is pretty darn good and they should realize it. Few employes in industry have been treated so well.

"But apparently we do have a situation where too many employes are becoming impatient and restless and we wish we knew what it's all about and what we can do about it. We need some answers first before anything is done."

Employe unrest and frustration was discussed two weeks ago in three of these columns. It resulted in an outpouring of varied reactions from Federal employes as well as the public they serve.

Among the words used by readers to describe the columns included "nonsense, ridiculous, grave, most serious, prompt action needed, pro-management, anti-management, pro-union, anti-union."

A majority of those who commented poohpoohed the report. They had seen no evidence of employe unrest and they doubted if it existed anywhere. Events since that time have effectively answered them. Events such as:

The convention here last week of the independent National Postal Union which directed its officers to investigate the feasibility of testing the constitutionality of the law that outlaws strikes in Government. The convention voted down tougher proposals aimed at the no-strike laws.

AFL–CIO's Postal Clerks, like the NPU, voted down proposals to eliminate the no-strike clause from the union constitution. The Clerks did adopt a resolution aimed at creating an "agency shop" in the postal service. Under it, all postal clerks would be required to pay dues to the Clerks, whether or not they were members of it. Some people regard this as the first move toward the closed shop in Government.

AFL–CIO's Letter Carriers rejected a resolution to stage nationwide street demonstrations in front of post offices to get their grievances before the public.

Earlier, Carriers Vice President James H. Rademacher urged members to work by the rules; that is, to do only the amount of work required by the rules. He said carriers frequently produced 40 per cent more than the rules require. If carriers worked by the rules, the effect could be a slowdown in mail deliveries. British postal employes used a similar device to force attention to their problems a couple of years ago.

The National Association of Postal Supervisors has directed its officers to seek exclusive union recognition through either Congress or the Federal courts. It believes full recognition would bring benefits to its members. The Post Office Department has rejected their plea. It considers supervisors a part of management and it limits them to consultation privileges.

National Association of Internal Revenue Employes has broken off negotiations with the Internal Revenue Service over operations of the President's 1962 order that recognized Federal employe unions. It is continuing its battle for exclusive recognition to represent all IRS employes.

A scattering of letters from individual employes, not necessarily union members, who work in and out of this city as far away as California, have demanded aggressive actions, including strikes, to make known their grievances to the President and Congress.

What are these grievances and gripes that have inspirred the upsurge of employe militancy? Employes and their leaders don't always agree on them, and some of the reasons they do give are vague and general.

The recent 2.9 per cent pay raise is mentioned most frequently. Employes say it was shoved down their throats by the President who has been unable to sell a similar amount to private industry employes who have the right to strike. They also charge inflation over the last year has already eaten up their small increase.

Interestingly enough, professionals and other higher-paid employes are becoming outspoken on the salary question. They point to the flat Federal pay raises of the last two years, and say they can never be paid salaries comparable with those in private industry under such a system. The middle and higher bracket employes are furthest behind comparability.

Among other gripes are the strong-arm methods used recently in Federal agencies to sell savings bonds, to reach the President's goal of 90 per cent employe participation, the slowdown in grade promotions, the pressure to do more with fewer people and dollars, the "Father Knows Best" philosophy often communicated by agency heads to their employes.

Many employe leaders regard the President's 1962 labor-management order, and the way agencies have operated under it, as the principal source of employe frustration and unrest. They are building a case to present to Congress next year in the hope that it will approve a tougher union recognition plan by law.

There already is guarded talk of staging a gigantic rally here by Federal employes in support of the legislation when hearings are held on it next year.

NATIONAL ASSOCIATION OF
INTERNAL REVENUE EMPLOYEES,
Columbus, Ohio, August 9, 1966.

Hon. SAMUEL ERVIN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ERVIN: I am enclosing a copy of the NAIRE 12th District Bulletin for your perusal. This publication is distributed to Internal Revenue Employees in the Internal Revenue Service offices in the Central Region of the Internal Revenue Service. The Central Region includes the States of Indiana, Kentucky, Michigan, Ohio, and West Virginia.

Since the publication includes a story concerning your position on the requirement that Federal employees file statements of financial interest and outside employment, I feel that you might find it of interest.

My editorial, "Sorry, Chief, We Don't Understand," I believe, reflects the feelings of the great majority of Internal Revenue employees. This program, coupled with some other programs that have been fostered on the employees in one guise or another in the last few years, I am sure, accounts for the high turnover in Federal agencies reported on page 4 of the publication. Needless to say, the reasons given by the one personnel man for the turnover account for some of the turnover. However, since the more attractive benefits offered by private industry have been in effect for many years, I believe that the answer for the current 33% increase in turnover must be found elsewhere. It is my opinion that the morale of the Federal employee has never been lower which accounts for the increase in turnover. I believe you have put your finger on part of the reason for this lowering of morale in your letter to Mr. Macy.

On behalf of the thousands of Internal Revenue Employees in the Central Region of Internal Revenue Service, I wish to commend and thank you for taking the initiative and opposing this program.

Very truly yours,

PHILIP D. O'ROURKE,
12th District Governor.

Enclosure: as stated.

[From the Naire 12th District Bulletin, August 1966]

SORRY, CHIEF, WE DON'T UNDERSTAND!

Can you remember back when you first started to school and Mother would ask as you arrived home, "Were you a good boy (or girl) in school today, dear?" And, of course, we always were! In about a month or so, she stopped asking the question. Maybe it was because she always got the same answer that she stopped asking . . . or maybe she felt that after that period of time, we had learned to behave in school well enough that she could begin to trust our behavior and considered the question unnecessary.

Now that Federal employees are relegated to the status of first graders again, we wonder how long we will have to supply "Mother" with certification of our good behavior. Of course, there is a slight difference between being in the first grade and of being, supposedly, law-abiding, mature, responsible Federal employees (although the distinction is becoming hazy). For some reason or another, we thought somewhere along the line we had proven ourselves. Of course, we could be wrong about that, but we vaguely recall back about May 10, 1965, a certain press release concerning a certain Executive Order (we believe the number was 11222) which carried the following statement:

"The unusually high standards of honesty, integrity, and impartiality of United States Government employees are cause for pride on the part of all Americans, for unquestionably, they are among the highest ever attained by any government—national or local—that ever existed."

Now we ask, how in the world was this ever achieved before somebody put their finger on the problem and came up with certifications of no conflict of interest and, from those who couldn't be trusted merely to certify their honesty, statements of financial interest and outside employment?

What does not seem to follow is that the reward for this exceptional high degree of "honesty, integrity and impartiality" only went as far as it did. For instance, why weren't we also rewarded by being required to certify that we haven't advocated the violent overthrow of the government, or sold information to foreign governments? Or

how about certifying that we haven't violated the Sullivan Act, or haven't transported stolen cars across state lines? Or how about the Mann Act? Of course, we could cover the entire field by merely certifying that we haven't violated any Federal or State Laws or Local Ordinances.

The interesting thing about initiating this type of program is "How long will it last?" In other words, if it is necessary that such a program as this be put into effect, considering the current supposedly high degree of "honesty, integrity and impartiality," it must follow that it will be necessary that the program should be kept in effect ad infinitum. Of course, there is a possibility that, like Mother, our new "Mother" will terminate the program when the same answer comes back case after case, or month after month. On the other hand, as time goes by and we again earn the confidence of every citizen in the integrity of his government and we begin to honor that trust, maybe then the program will be discontinued.

Commissioner Cohen stated in his letter of June 6, 1966, that he "hope(s) everyone will understand that these new requirements are simply part of a total effort to justify the public's absolute confidence in the integrity of every Federal employee and agency."

Well, as a matter of fact, we didn't realize that the public had lost confidence, nor do we understand the need for the program since there are, and have been for some time, rules governing this situation.

Sorry About That Chief!

Mr. ERVIN. Mr. President, I ask unanimous consent, also, to have printed in the RECORD at the conclusion of my remarks an article by James K. Batten, who cites cases illustrating the necessity for action on S. 3703, entitled "Does Uncle Sam Bully Employees?" from the Charlotte Observer of August 14; an editorial from the Winston-Salem Twin City Sentinel of July 25, entitled "The Right of Privacy"; an editorial from the St. Petersburg, Fla., Times, entitled "Bury the Skeleton"; an editorial from the Charlotte Observer of August 16, entitled "Federal 'Bill of Rights' Needed"; an editorial from the Kinston Daily Free Press of August 16, entitled "ERVIN's Bill for Employees is Significant"; an editorial from the Government Employees Exchange of August 24, entitled "Senator ERVIN's Omnibus Bill Seen as One More Step To Rid Service of McCarthyism"; and an article by Lloyd Preslar from the Winston-Salem Journal of August 21, entitled "ERVIN's Privacy Bill Gains Wide Support Among Senators."

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Charlotte Observer, Aug. 14, 1966]

DOES UNCLE SAM BULLY EMPLOYEES?

(By James K. Batten)

WASHINGTON.—Last summer an 18-year-old coed from a small college in Virginia applied to the State Department for a job. She thought it would be a pleasant way to spend her vacation.

But because the job required a security clearance, the girl was summoned to an interview with a security investigator. When the interrogator began to probe her relationship with her boy friend, the girl was stunned by questions like these:

"Did he abuse you?" "Did he do anything unnatural with you?" "You didn't get pregnant, did you?"

Bewildered, the girl decided she had no interest in working for the federal government.

In another federal agency recently, a divorcee with two children declined to participate in the President's campaign to have civil servants invest in U.S. savings bonds. She felt she could not afford them.

When it developed that she was the only holdout keeping the agency from "hitting 100 per cent," the woman was called into a staff meeting and severely castigated in front of her fellow workers.

At the Defense Department, a bright young women entered the federal service under the "management-intern" program, designed to attract unusually capable young people to government service and to prepare them for positions of responsibility.

As part of her job, this young woman invited a senator to address a group of interns at one of their regular, on-duty seminars.

But when the young woman's supervisor, a GS–15 making about $17,500 a year, intercepted the senator's routine letter of acceptance, he threw a "terrible tantrum."

Rank-and-file federal employees are not authorized to contact congressmen, he told the nonplused young woman. "I suggest you better not have any more letters coming here from the Hill (Capitol Hill)."

Incidents like these, documented by the Senate subcommittee on constitutional rights, are cited by some members of Congress as symptomatic of a growing sickness in the federal establishment.

"I believe," subcommittee chairman Sen. SAM J. ERVIN, JR., D-N.C., said recently, "there is now being created in the federal service a climate of fear, apprehension and coercion which is detrimental to the health of the service and is corroding the rights of federal employes.

"It should disturb every American citizen who takes pride in his government."

To remedy the situation, ERVIN called a press conference last week to announce that he was introducing a proposed "bill of rights for federal employes" to ban many of the disputed practices. Hearings are planned for early this fall.

No one can really be sure how percussive the problem is. Spokesmen for federal employment unions are egging ERVIN on, declaring that unwarranted invasions of employes' privacy are more prevalent than ever before.

The constitutional rights subcommittee's files are bulging with complaints. And each reported grievance, explained one staff member, probably represents hundreds of unreported grievances on the part of employes reluctant to complain.

"They're so afraid of losing their jobs or getting reprimanded," the staff member said. "This whole atmosphere of fear keeps them from communicating with Congress."

On the other hand, at the Civil Service Commission, the federal government's personnel agency, there is a tendency to suspect the case is being overstated.

Employe complaints to the commission have been scarce. But the commission staff plans to recheck ERVIN's allegations before congressional hearings begin.

"You don't just say, what the heck, he's blowing off," said one civil service spokesman. "You don't dismiss it lightly."

In some instances, the problems seem to arise from poor judgment or over-zealousness by agency supervisors, rather than from official government policy.

This is particularly true of "voluntary" solicitation campaigns within government agencies. One employe in a federal field office wrote to complain about the drive for funds to help build the John F. Kennedy Memorial Library at Harvard.

"The Kennedy library drive was a real arm-twister," the employee said. "One hundred per cent participation was required, with names sent—or threatened to be sent—to Washington."

When President Johnson began his now-famous savings bond drive, he kept tabs on the agencies with large charts in the cabinet room. The heat was felt all the way down to the lowest bureaucrat.

"I was reminded that I had a promotion coming up," confided one Defense Department employe. "My supervisor told me, 'The people in the front office remember things like this.' "

But many times, employe complaints of a "big brother" atmosphere stem from official government policies and programs.

One of ERVIN's favorite targets is a White House-ordered campaign to minimize the dangers of conflict-of-interest in the federal service by making selected officials disclose their financial situation in supposedly confidential questionnaires.

Although it was originally expected that disclosure would be limited to a few thousand top policy-makers, an Ervin survey so far has turned up nearly 50,000 employes who are required to divulge their financial status. Many large agencies are still to be heard from.

Among those being forced to bare their financial souls are $100-a-week clerks at the Smithsonian Institution and interior decorators at the State Department.

Another of ERVIN's major concerns is the use of lie detectors and psychological tests in employment and promotion of federal employes. The Civil Service Commission contends that earlier abuses have been eliminated and that such practices are now under tight control. ERVIN and others disagree.

One veteran woman employe at the Defense Department, already cleared to handle military secrets, decided to pass up a promotion to a different office because she would be required to take a lie detector test.

The woman was reluctant, she said, because the lie detector operators were notorious for gossiping about their subjects' reactions to intimate questions on sexual matters.

Sometimes agency policies that make sense in theory produce bizarre results when enforced to the hilt. At the Small Business Administration, employes are instructed never to do business with companies that have received or are seeking SBA loans.

In one case, that policy resulted in a reprimand for SBA employes who often ate their lunch-hour hamburgers at a "greasy spoon" restaurant two blocks from SBA headquarters in Washington. The restaurant, it turned out, had an SBA loan.

In taking stiff precautions against conflict-of-interest, the Johnson administration has decided that financial disclosure and other rules are justified to insure the integrity of the federal establishment.

ERVIN's reply is that while concern for complete honesty is laudable, forced financial disclosure by other than top policy officials is an insult to rank-and-file employes and an unwarranted invasion of privacy.

Some academic experts on public administration agree.

Dr. William Beaney of Princeton, a distinguished political scientist and frequent government consultant, said:

"Speaking for myself, I think there's a limit on how far you can go on this thing of knowing everything about an employe to see if he can do some run-of-the-mill job. These aren't security positions."

Dr. Stephen K. Bailey, dean of the Maxwell School of Citizenship and Public Affairs at Syracuse University, agreed that financial disclosure was necessary in the upper echelons of government, but he wondered about the propriety of dipping down into the middle ranks.

"My own instinct," he said, "tells me that the cut-off ought to be with the political executives. I'm primarily concerned with people brought in by presidential appointments. These people are politically accountable."

Beaney, Bailey and other political scientists point out that government personnel practices have an impact throughout private industry, and thus ought to be exemplary.

While the academic people don't endorse ERVIN's wide-ranging bill across the board, they approve of intensified scrutiny of the subject by Congress.

"Personally, I'm very sympathetic," said Beaney. "He (ERVIN) has a lot of fish he's trying to fry at the same time, but I do think on some of these things, there's serious cause for concern."

[From the Winston-Salem Twin City Sentinel, July 25, 1966]

THE RIGHT OF PRIVACY

Senator SAM J. ERVIN, JR., is right in questioning whether the federal government is snooping too much into the private lives of its employes. Although federal personnel practices may not be as outrageous as the Senator suggests, the trend toward invasion of privacy is moving too quickly in this country and should be stubbornly resisted.

Like any private employer, the government is entitled to know certain basic things about the people it hires—about personal and family background, about character and credit ratings and so forth. But, if Senator ERVIN is correct, some government agencies are going well beyond this basic information.

In a recent news release announcing that his Constitutional Rights Subcommittee will hold hearings on this subject soon, the Senator listed these intrusions on public employees:

"* * * Psychological testing, psychiatric interviews, race questionnaires, lie detectors, loyalty oaths, probing personnel forms and background investigations, restrictions on communications with Congress, pressure to support political parties financially, coercion to buy savings bonds, extensive limitations on outside activities, rules for speaking and writing, and even thinking, forms for revealing personal data about finances, creditors, property and other interests."

Some of these things can be justified perhaps as an effort to assure that the government hires only stable, trustworthy employes who have no conceivable conflict of interest with their jobs. But some seem clearly unnecessary.

Senator ERVIN, who is considerably more of a civil libertarian than his views on civil rights would make him appear, will do a service for the country if he can determine in his hearings just how far these intrusions go and, if they are unjustified, what can be done to stop them.

One horrid example of what the Senator wants to investigate is a letter recently circulated among employes at Andrews Air Force Base Hospital. It urged workers to buy savings bonds and asked them to sign one of these three statements:

—"I am now supporting the President by buying U.S. Savings Bonds on an allotment from my pay."

—"I wish to show my support for the President by adding to my allotment or by beginning an allotment * * *."

—"I do not accept my responsibility to support the President in this U.S. Savings Bond campaign."

The sooner such high-handed activity can be investigated and stopped, the better. If it is not, we may indeed live in what Senator ERVIN has predicted will be "the era of the dossiered man."

[From the St. Petersburg (Fla.) Times, August 1966]

BURY THE SKELETON

"It is sad," just as Sen. SAM ERVIN said, that legislation should be considered to keep the constitutional rights of U.S. government employes from being trampled asunder by their employer.

But, as Sen. ERVIN added, "Such legislation is necessary." And the senator is right.

Witness the recent, clandestine search of the home of a Cental Intelligence Agency employe by a couple of CIA sleuths who feigned interest in buying the house.

Examine, if you will, the way lie detector tests are being used to pry into such personal realms as religious beliefs and sexual habits; and the many ways government employes are being pressured and indoctrinated in the management of their off-duty time.

Witness, especially, the apparent increase in these tyrannies in recent years.

To right these wrongs, Sen. ERVIN, a Democrat from North Carolina, has introduced a "civil servants' 'Bill of Rights'."

In introducing this bill, ERVIN isn't acting as an alarmist. That's not ERVIN's way. He and his subcommittee on constitutional rights enjoy one of the finest records of responsibility to be found on Capitol Hill.

The tyrannies he sees invading the privacy and molesting the dignity of our government's employes are all too real.

Sen. ERVIN has performed a service to federal employes and all Americans by finally dragging this skeleton from the closet.

Now Congress should bury the skeleton by adopting the legislative solution he's proposed.

[From the Charlotte Observer, Aug. 16, 1966]

FEDERAL BILL OF RIGHTS NEEDED

It is not consistent for the U.S. government to bewail the lack of bright, enthusiastic citizens willing to work for the government while it uses policies that discourage applicants or harass employes.

Numerous reports cite interviews and questionnaires with unneeded and embarrassing questions about religion, sex and personal relationships. Others tell of employes being reprimanded for private actions not bearing on their government work. There is pressure to give to somebody's favorite charity, to buy government bonds or to pay for tickets for some event that benefits politicians.

Not all federal agencies are guilty, but according to Sen. ERVIN JR., there are enough to justify a law setting forth a "bill of rights" for federal employes.

For several years, ERVIN's subcommittee on constitutional rights has collected complaints from federal employes. Some were sent to the Civil Service Commission and others prompted the committee to prod the agency or even the President's office directly. Because these pressures brought either no response or too little action, ERVIN felt a "bill of rights" was necessary.

His proposal is drawn to protect federal clerks, secretaries, accountants and lower-level civil servants from invasions of their privacy.

The bill would, for example, end a rule that clerks must disclose the financial holdings of their families. This rule was first directed toward policy-makers to prevent conflicts of interest, but it has trickled down to reach those whose work does not expose them to the same temptations.

Political appointees and career officials who make policy decisions often must sacrifice anonymity and privacy to larger interests such as that of national security. But Sen. ERVIN'S bill is a sensible way to insulate lower-level employes from the over-zealous practices of their superiors.

[From the Kinston Daily Free Press, Aug. 16, 1966]

ERVIN'S BILL FOR EMPLOYEES IS SIGNIFICANT

A "bill of rights" measure to protect the privacy of federal employees has been advanced by U.S. Senator SAM J. ERVIN, JR., North Carolina Democrat and chairman of the Senate Constitutional Rights Subcommittee. In offering this significant measure Senator ERVIN wrote to President Johnson to emphasize the need for such action as soon as possible.

What it would prohibit are the following "privacy invasions" caused by outright coercion, requirements, requests or intimidation:

(1) Race, religion, national origin questionnaires. (2) Indiscriminate requirements to disclose personal finances, assets, creditors and property interests of employees and their families. (3) Meetings to indoctrinate employees about matters unrelated to their jobs. (4) Requirements that employees take part in activities not directly within the scope of their employment. (5) Requirements to make reports about personal activities and undertakings not related to jobs. (6) Attempts to forbid patronizing any businesses or establishments. (7) Interrogations, examinations, psychological or polygraph tests aimed at securing data about personal relations with relatives, religious beliefs or attitudes and conduct with respect to sexual matters. (8) Coercion to support political activities personally or financially. (9) Coercion to buy bonds or to make contributions to institutions and causes. (10) Interrogation without the presence of counsel or other person of employee's choice.

Apparently these practices have spread from the need for security checks on top-flight officials in government, but as Senator ERVIN points out they are not in keeping with American freedoms. They are more totalitarian than democratic, he said.

The legislation is overdue. Senator ERVIN does well to put the freedoms of civil service and other employees in proper perspective. The bill should have the wholehearted support of the 89th Congress.

[From the Government Employees Exchange, Aug. 24, 1966]

SENATOR ERVIN'S OMNIBUS BILL SEEN AS ONE MORE STEP TO RID SERVICE OF MCCARTHYISM

During the past three years, ever since Senator SAM J. ERVIN, JR., and Representative CORNELIUS E. GALLAGHER began their respective investigations into the grey areas of Federal employment, particularly those that subjected the employee and the potential member of the Federal operating staff to draw conclusions on matters that pertain to their private lives, readers of the newspaper have had front-row seats as they progressed. One by one, during this period, they witnessed the retreat of McCarthyism in the service, and, bit by bit, the restoration of individual dignity by all those employed in it. The omnibus bill introduced by Senator ERVIN on August 9 is the later—and by far the most encompassing—move to elevate the Federal Government as a model employer.

While it is true—and this is more theoretical than practical—that the right to disagree is held aloft in the private sector of the nation, it is nevertheless, also true that the percentage of pronounced criticism is markedly less if a person's livelihood becomes involved with its expression, as is the case of one who is employed by the Federal Government. Their freedom of expression and action is inhibited by their employment in the Federal service. Working and living under glass is the price they have to pay for working for the Federal Government. In spite of the numerous benefits afforded them

as Federal employees, they feel like "transients" in their respective jobs because of the implications.

Innuendos to the extent that their expressions and actions off the job "might" affect their employment have imbedded fear and its resulting effect, conformity, in their minds. Senator ERVIN's so-called "Bill of Rights for Federal Employees," while not removing all of the bars that have softened their minds for many years, in the opinion of this newspaper takes a positive step in that direction.

Some of Mr. ERVIN's critics in the private sector, apparently unaware how much the "power of suggestion" has on the Federal work-force have indicated that the bill is a swipe at members of the nation's minority groups because of his position on civil rights, while others have charged that it lessens the control of the employer over his employees. While it is true that the Senator does come from a border state, the allegation that the bill is part of a package of bills to destroy the movement is utterly false. As far as the second implication is concerned, it is the newspaper's conviction that the bill removes many of the real and imaginary restraints in Federal employment, thus affording the Federal Government the realistic opportunity to retain a higher percentage of its talented, and, likewise, affords it a set of rules that serve as magnets for the attraction of more of them.

This newspaper would recommend that in addition to the ten points covered by the bill that it be amended to specifically state that the grieved employee as well as the potential one be accorded the right to confront his accusers. In other words that the accused be given his day in court, a right today even the nation's most hardened criminal has.

This newspaper has been proud to have been both a witness and a participant in the progress of the Federal merit system in the eyes of Federal Government management as well in those of its employees. The Federal Government is a better competitor with private industry today than it was more than 20 years ago. It offers greater security, greater opportunities for advancement, and greater protections for the grieved than then. To say that it cannot be improved is to admit that its operation today is perfect.

Until Representative GALLAGHER and Senator ERVIN, in that order, began their probes into the invasion by Federal departments and agencies into the private lives of their employees back in the Spring of 1963, the improvements prior to then were concerned more with the system rather than the people who operated the apparatus of the Federal Government. Though far from completing their tasks, and though holding separate hearings, they have done much to improve the environment in the Federal service, while the Civil Service Commission, ever since 1953, has done much to update the rules and regulations governing Federal employment.

One would come to the conclusion that the Executive Branch is working at cross-purposes with the Legislative Branch toward improving the Federal service, but such hasn't been the case as this newspaper has reported. The different Federal agencies, and especially the Civil Service Commission through its Chairman, John W. Macy, Jr., have cooperated with Representative GALLAGHER and the Senator from North Carolina in their investigations. The hearings have been marked by frankness by all who testified, and it was in this way that Senator ERVIN was enabled to introduce his omnibus bill, which is designed to correct more inequities, on the floor of the Senator on August 9.

[From the Winston-Salem Journal, Aug. 21, 1966]

ERVIN'S PRIVACY BILL GAINS WIDE SUPPORT AMONG SENATORS

(By Lloyd Preslar)

WASHINGTON.—Sen. SAM ERVIN'S proposed legislation to protect the privacy of federal employees has gained broad support in the Senate.

ERVIN, from North Carolina, announced Aug. 9 that he would introduce the so-called "Bill of Rights" for government workers. Now the bill has 20 co-sponsors, including some of the Senate's best-known liberals and conservatives.

In addition, four major unions or associations of federal employees have announced support for the Ervin bill, and more organizations are expected to join the campaign.

The bill is designed to prevent federal agencies from prying into the private lives of their employees, and from coercing employees to participate in outside activities.

The bill would also guarantee a government worker the right to legal counsel if the employee should be questioned by his superiors about a matter which could lead to disciplinary action.

The bill is considered by some to be bold in its guarantees because it would make a federal official who violated the provisions subject to criminal prosecution. Violators could be fined $1,000 and sentenced to a year in prison.

The co-sponsors of the bill include 12 Democrats and eight Republicans. The Democrats are Sens. BIBLE of Nevada, RUSSELL of South Carolina, MCCARTHY of Minnesota, YOUNG of Ohio, BYRD of Virginia, YARBOROUGH of Texas, BARTLETT of Alaska, MCINTYRE of New Hampshire, SPARKMAN of Alabama, CANNON of Nevada, INOUYE of Hawaii and JORDAN of North Carolina.

The Republicans are FONG of Hawaii, BENNETT of Utah, FANNIN of Arizona, MUNDT of South Dakota, THURMOND of South Carolina, SIMPSON of Wyoming, HRUSKA of Nebraska and ALLOTT of Colorado.

The unions which have announced their support are the American Federation of Government Employees (AFL–CIO), the National Association of Government Employees, the National Association of Government Engineers and the National Association of Internal Revenue Employees.

Some postal employees organizations are expected to support the bill.

A provision of the bill which has attracted a great deal of attention is one which would prohibit the use of questionnaires which ask employees to list their race or national origin.

The questionnaires ask an employee to indicate whether he is an American Indian, Oriental, Negro, Spanish-American or "none of these." Officials have described the questionnaires as a method for determining whether there is racial discrimination in government employment practices.

ERVIN argues that under the Civil Service System an individual's race or national origin "should have nothing to do with his ability or qualification" for his job.

"In fact," ERVIN has said, "it is nobody's business. Nor is it healthy for our society to divide it up into four minority groups and 'all others.'"

Some civil rights proponents have been uncertain whether they should oppose the questionnaires. ERVIN has received letters from many minority group members who say they resent being asked about their race.

Senator FONG, the first co-sponsor of ERVIN'S bill, pointed out in a speech in the Senate that the bill would not prevent agencies from gathering racial statistics on their employees. Supervisors, he said, could simply take their own head counts. The bill would only prohibit asking an individual about his race.

Similarly, the bill would prevent psychological investigations in which an employee or prospective employee is asked questions about his sex life or his religious views.

The bill would also prohibit:

Requirements that rank-and-file employees disclose their financial assets and liabilities.

Requirements that employees take part in community activities unrelated to their jobs.

Coercion by federal officials in an effort to get employees to make contributions or purchase savings bonds.

ERVIN says that an individual employee is often powerless against invasions of his privacy because "he knows he may be discharged or denied employment or a promotion" if he fails to cooperate. Supporters of the bill say it could also affect people not employed by the government since some businesses tend to model their personnel practices after those of the government.

ERVIN is chairman of the Senate Subcommittee on Constitutional Rights. It is planning hearings on the privacy bill.

ADDITIONAL COSPONSOR OF BILL

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that upon the next printing of my bill, S. 3714, to establish an annual or biannual national housing goal, the name of the senior Senator from Pennsylvania [Mr. CLARK] be added as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL COSPONSOR OF AMENDMENT NO. 736

Mr. JAVITS. Mr. President, I ask unanimous consent that the name of the Senator from Indiana [Mr. HARTKE] be added as a cosponsor of the amendment (No. 736) which I submitted to Senate bill 2874, the international education bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF RECEIPT OF NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nominations of Miss Carol C. Laise, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal; Leo G. Cyr, of Maine, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Rwanda; and, John M. McSweeney, of Nebraska, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Bulgaria.

In accordance with the committee rule, these pending nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

UNANIMOUS CONSENT TO FILE A REPORT

Mr. MONRONEY. Mr. President, I ask unanimous consent that the Committee on Post Office and Civil Service may have until midnight tomorrow to file a report on H.R. 14904.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

FAIR LABOR STANDARDS AMENDMENTS OF 1966—AMENDMENTS

AMENDMENT NO. 774

Mr. SMATHERS. Mr. President, I submit an amendment which I intend to propose to H.R. 13712, the proposed Fair Labor Standards Amendments of 1966. My amendment would prohibit employment discrimination against individuals 45 or over on the basis of age.

I offered a similar amendment when the Civil Rights Act of 1964 was before the Senate. Unfortunately, the parliamentary situation in which we found ourselves was not favorable to the adoption of my amendment, and it was defeated. Nevertheless, I am convinced that many Senators who voted against it wanted to vote for it, and would have done so if the parliamentary situation had been more favorable. I am offering this proposal again in the hope that more Senators will be able to go along with me than felt at liberty to do within the narrow confines of the parliamentary situation which obtained at that time.

Since the enactment of the Civil Rights Act of 1964, discrimination on the basis of race, religion, sex, and national origin has been prohibited. As an original proposition, we might well hesitate to interfere with the freedom of employers to choose their own employees. But since Congress passed that act, the Nation has "crossed the Rubicon" on this issue, and it has been made the official policy of our Nation that substantial pressures are to be brought to bear upon employers to prevent their discriminating on various grounds against Americans who fall into certain categories. It is unfair to those over 45 who suffer employment discrimination because of their ages to refuse to accord them the same protection which is now accorded millions of others who face the possibility of discrimination.

While we were unsuccessful in amending the Civil Rights Act as I proposed, it was possible to include in that act a direction to the Secretary of Labor to study age discrimination in employment and to report to Congress on it. The Secretary carried out that mandate and submitted to Congress a comprehensive report on this subject on June 30, 1965.

In connection with his preparation of that report, the Secretary of Labor made a special study of age limitations in hiring. Among the major conclusions drawn by the Secretary from that study were the following, quoted verbatim from the report:

1. The setting of specific age limits beyond which an employer will not consider a worker for a vacant job, regardless of ability, has become a characteristic practice in those States which do not prohibit such action, to the extent and with the result that in these States:

Over half of all employers are presently applying such limitations, using age limits typically set at from 45 to 55;

Approximately half of all job openings which develop in the private economy each year are closed to applicants over 55 years of age, and a quarter of them are closed to applicants over 45.

2. The establishing by employers of stated age limitations (or, on the other hand, of stated policies against any age limitations) has a direct and marked effect upon the actual employment of older workers, with the result that—

The proportion of older workers hired by firms with stated upper age limits is half the porportion of older workers hired by firms with stated policies of ruling out age limits.

The proportion of older workers hired by firms with no stated policy regarding age limitations is significantly smaller than the proportion of older workers hired by firms with stated policies of ruling out age limits, especially with respect to workers 55 and over.

3. An unmeasured but significant proportion of the age limitations presently in effect are arbitrary in the sense that they have been established without any determination of their actual relevance to job requirements, and are defended on grounds apparently different from their actual explanation.

4. The competence and work performance of older workers are, by any general measures, at least equal to those of younger workers.

5. Arbitrary age discrimination is significantly reduced in States which have strong laws, actively administered, directed against discrimination based on age.

In making his recommendations, based upon his findings, the Secretary said:

The elimination of arbitrary age limits on employment will proceed much more rapidly if the Federal Government declares, clearly and unequivocally, and implements so far as is practicable, a national policy with respect to hiring on the basis of ability rather than age.

I submit, Mr. President, that adoption of my amendment would be an appropriate means of enunciating such a national policy, as Secretary Wirtz recommended. No new agency would be created by my amendment. Instead, the long-established agency within the Department of Labor which enforces the Fair Labor Standards Act would be used, and the means of enforcing my amendment would be the same time-tested enforcement methods which have been used for many years to enforce the provisions in that act with regard to minimum wages, minimum hours, and child labor.

Poetry has been written which paints a rosy picture of old age, such as Robert Browning's famous couplet which declares that "the best is yet to be." Unfortunately, much of this poetry has been based upon what the poet wishes for his old age rather than upon the reality of old age. However, if we adopt this amendment, we will be bringing closer to reality for millions of our older compatriots the sentiment expressed by Henry Wadsworth Longfellow, when he wrote:

Age is opportunity no less
Than youth itself, though in another dress.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. RUSSELL of South Carolina in the chair). Without objection, it is so ordered.

CONSENT OF CONGRESS TO AMEND THE WASHINGTON METROPOLITAN AREA TRANSIT REGULATION COMPACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 1457, S. 3488.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3488) to grant the consent of Congress for the States of Virginia and Maryland and the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact to establish an organization empowered to provide transit facilities in the National Capital region and for other purposes and to enact said amendment for the District of Columbia.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with amendments on page 19, line 17, after the word "companies" to strike out "operation" and insert "operating"; and on page 73, after line 20, to insert:

(d) In carrying out the audits provided for in a paragraph 70(b) of the compact the representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Board and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, agents, and custodians.

So as to make the bill read:

S. 3488

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby consents to, adopts and enacts for the District of Columbia an amendment to the Washington Metropolitan Area Transit Regulation Compact, for which Congress heretofore has granted its consent (Public Law 86–794, 74 Stat. 1031, as amended by Public Law 87–767, 76 Stat. 764) by adding thereto title III, known as the Washington Metropolitan Area Transit Authority Compact (herein referred to as title III), substantially as follows:

TITLE III

Article I

Definitions

1. As used in this Title, the following words and terms shall have the following

meanings, unless the context clearly requires a different meaning:

(a) "Board" means the Board of Directors of the Washington Metropolitan Area Transit Authority;

(b) "Director" means a member of the Board of Directors of the Washington Metropolitan Area Transit Authority;

(c) "Private transit companies" and "private carriers" means corporations, persons, firms or associations rendering transit service within the Zone pursuant to a certificate of public convenience and necessity issued by the Washington Metropolitan Area Transit Commission or by a franchise granted by the United States or any signatory party to this Title;

(d) "Signatory" means the State of Maryland, the Commonwealth of Virginia and the District of Columbia;

(e) "State" includes District of Columbia;

(f) "Transit facilities" means all real and personal property located in the Zone, necessary or useful in rendering transit service between points within the Zone, by means of rail, bus, water or air and any other mode of travel, including without limitation, tracks, rights of way, bridges, tunnels, subways, rolling stock for rail, motor vehicle, marine and air transportation, stations, terminals and ports, areas for parking and all equipment, fixtures, buildings and structures and services incidental to or required in connection with the performance of transit service;

(g) "Transit services" means the transportation of persons and their packages and baggage by means of transit facilities between points within the zone and includes the transportation of newspapers, express and mail between such points but does not include taxicab, sightseeing or charter service; and

(h) "WMATC" means Washington Metropolitan Area Transit Commission.

Article II

Purpose and Functions

Purpose

2. The purpose of this title is to create a regional instrumentality, as a common agency of each signatory party, empowered, in the manner hereinafter set forth, (1) to plan, develop, finance and cause to be operated improved transit facilities, in coordination with transportation and general development planning for the zone, as part of a balanced regional system of transportation, utilizing to their best advantage the various modes of transportation, (2) to coordinate the operation of the public and privately owned or controlled transit facilities, to the fullest extent practicable, into a unified regional transit system without unnecessary duplicating service, and (3) to serve such other regional purposes and to perform such other regional functions as the signatories may authorize by appropriate legislation.

Article III

Organization and Area

Washington Metropolitan Area Transit Zone

3. There is hereby created the Washington Metropolitan Area Transit Zone which shall embrace the District of Columbia, the cities of Alexandria, Falls Church, and Fairfax and the counties of Arlington and Fairfax and political subdivisions of the Commonwealth of Virginia located within those counties, and the counties of Montgomery and Prince Georges in the State of Maryland and political subdivisions of the State of Maryland located in said counties.

Washington Metropolitan Area Transit Authority

4. There is hereby created, as an instrumentality and agency of each of the signatory parties hereto, the Washington Metropolitan Area Transit Authority which shall be a body corporate and politic, and which shall have the powers and duties granted herein and such additional powers as may hereafter be conferred upon it pursuant to law.

Board membership

5. (a) The authority shall be governed by a board of six directors consisting of two directors for each signatory. For Virginia, the directors shall be appointed by the Northern Virginia Transportation Commission; for the District of Columbia, by the Commissioners of the District of Columbia; and for Maryland, by the Washington Suburban Transit Commission. In each instance the director shall be appointed from among the members of the appointing body and shall serve for a term coincident with his term on the body by which he was appointed. A director may be removed or suspended from office only as provided by the law of the signatory from which he was appointed. The appointing authorities shall also appoint an alternate for each director, who may act only in the absence of the director for whom he has been appointed an alternate, and each alternate shall serve at the pleasure of the appointing authority. In the event of a vacancy in the office of director or alternate, it shall be filled in the same manner as an original appointment.

(b) Before entering upon the duties of his office each director and alternate director shall take and subscribe to the following oath (or affirmation) of office or any such other oath or affirmation, if any, as the constitution or laws of the signatory he represents shall provide:

"I, _____, hereby solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the constitution and laws of the State or political jurisdiction from which I was appointed as a director (alternate director) of the board of Washington Metropolitan Area Transit Authority and will faithfully discharge the duties of the office upon which I am about to enter."

Compensation of Directors and alternates

6. Members of the Board and alternates shall serve without compensation but may be reimbursed for necessary expenses incurred as an incident to the performance of their duties.

Organization and procedure

7. The Board shall provide for its own organization and procedure. It shall organize annually by the election of a Chairman and Vice-Chairman from among its members. Meetings of the Board shall be held as frequently as the Board deems that the proper performance of its duties requires and the Board shall keep minutes of its meetings. The Board shall adopt rules and regulations governing its meeting, minutes and transactions.

Quorum and actions by the Board

8. (a) Four Directors or alternates consisting of at least one Director or alternate appointed from each Signatory, shall constitute a quorum and no action by the Board shall be effective unless a majority of the Board, which majority shall include at least one Director or alternate from each Signatory, concur therein; provided, however, that a plan of financing may be adopted or a mass transit plan adopted, altered, revised or amended by the unanimous vote of the Directors representing any two Signatories.

(b) The actions of the Board shall be expressed by motion or resolution. Actions dealing solely with internal management of the Authority shall become effective when directed by the Board, but no other action shall become effective prior to the expiration of thirty days following its adoption; provided, however, that the Board may provide for the acceleration of any action upon a finding that such acceleration is required for the proper and timely performance of its functions.

Officers

9. (a) The officers of the Authority, none of whom shall be members of the Board, shall consist of a general manager, a secretary, a treasurer, a comptroller and a general counsel and such other officers as the Board may provide. Except for the office of general manager and comptroller, the Board may consolidate any of such other offices in one person. All such officers shall be appointed and may be removed by the Board, shall serve at the pleasure of the Board and shall perform such duties and functions as the Board shall specify. The Board shall fix and determine the compensation to be paid to all officers and, except for the general manager who shall be a full-time employee, all other officers may be hired on a full-time or part-time basis and may be compensated on a salary or fee basis, as the Board may determine. All employees and such officers as the Board may designate shall be appointed and removed by the general manager under such rules of procedure and standards as the Board may determine.

(b) The general manager shall be the chief administrative officer of the Authority and, subject to policy direction by the Board shall be responsible for all activities of the Authority.

(c) The treasurer shall be the custodian of the funds of the Authority, shall keep an account of all receipts and disbursements and shall make payments only upon warrants duly and regularly signed by the Chairman or Vice-Chairman of the Board, or other person authorized by the Board to do so, and by the secretary or general manager; provided, however, that the Board may provide that warrants not exceeding such amounts or for such purposes as may from time to time be specified by the Board may be signed by the general manager or by persons designated by him.

(d) An oath of office in the form set out in Section 5(b) of this Article shall be taken, subscribed and filed with the Board by all appointed officers.

(e) Each Director, officer and employees specified by the Board shall give such bond in such form and amount as the Board may require, the premium for which shall be paid by the Authority.

Conflict of interests

10. (a) No Director, officer or employee shall:

(1) be financially interested, either directly or indirectly, in any contract, sale, purchase, lease or transfer of real or personal property to which the Board or the Authority is a party;

(2) in connection with services performed within the scope of his official duties, solicit or accept money or any other thing of value in addition to the compensation or expenses paid to him by the Authority;

(3) offer money or any thing of value for or in consideration of obtaining an appointment, promotion or privilege in his employment with the Authority.

(b) Any Director, officer or employee who shall willfully violate any provision of this section shall, in the discretion of the Board, forfeit his office or employment.

(c) Any contract or agreement made in contravention of this section may be declared void by the Board.

(d) Nothing in this section shall be construed to abrogate or limit the applicability of any federal or state law which may be violated by any action prescribed by this section.

Article IV

Pledge of Cooperation

11. Each Signatory pledges to each other faithful cooperation in the achievement of the purposes and objects of this Title.

Article V

General Powers

Enumeration

12. In addition to the powers and duties elsewhere described in this Title, and except as limited in this Title, the Authority may:

(a) Sue and be sued;

(b) Adopt and use a corporate seal and alter the same at pleasure;

(c) Adopt, amend, and repeal rules and regulations respecting the exercise of the powers conferred by this Title;

(d) Construct, acquire, own, operate, maintain, control, sell and convey real and personal property and any interest therein by contract, purchase, condemnation, lease, license, mortgage or otherwise but all of said property shall be located in the Zone and shall be necessary or useful in rendering transit service or in activities incidental thereto;

(e) Receive and accept such payments, appropriations, grants, gifts, loans, advances and other funds, properties and services as may be transferred or made available to it by any signatory party, any political subdivision or agency thereof, by the United States, or by any agency thereof, or by any other public or private corporation or individual, and enter into agreements to make reimbursement for all or any part thereof;

(f) Enter into and perform contracts, leases and agreements with any person, firm or corporation or with any political subdivision or agency of any signatory party or with the Federal Government, or any agency thereof, including, but not limited to, contracts or agreements to furnish transit facilities and service;

(g) Create and abolish offices, employments and positions (other than those specifically provided for herein) as it deems necessary for the purposes of the Authority, and fix and provide for the qualification, appointment, removal, term, tenure, compensation, pension and retirement rights of its officers and employees without regard to the laws of any of the signatories;

(h) Establish, in its discretion, a personnel system based on merit and fitness and, subject to eligibility, participate in the pension and retirement plans of any signatory, or political subdivision or agency thereof, upon terms and conditions mutually acceptable;

(i) Contract for or employ any professional services;

(j) Control and regulate the use of facilities owned or controlled by the Authority, the service to be rendered and the fares and charges to be made therefor;

(k) Hold public hearings and conduct investigations relating to any matter affecting transportation in the Zone with which the Authority is concerned and, in connection therewith, subpena witnesses, papers, records and documents; or delegate such authority to any officer. Each director may administer oaths or affirmations in any proceeding or investigation;

(l) Make or participate in studies of all phases and forms of transportation, including transportation vehicle research and development techniques and methods for determining traffic projections, demand motivations, and fiscal research and publicize and make available the results of such studies and other information relating to transportation; and

(m) Exercise, subject to the limitations and restrictions herein imposed, all powers reasonably necessary or essential to the declared objects and purposes of this Title.

Article VI

Planning

Mass transit plan

13. (a) The Board shall develop and adopt, and may from time to time review and revise, a mass transit plan for the immediate and long-range needs of the Zone. The mass transit plan shall include one or more plans designating (1) the transit facilities to be provided by the Authority, including the locations of terminals, stations, platforms, parking facilities and the character and nature thereof; (2) the design and location of such facilities; (3) whether such facilities are to be constructed or acquired by lease, purchase or condemnation; (4) a timetable for the provision of such facilities; (5) the anticipated capital costs; (6) estimated operating expenses and revenues relating thereto; and (7) the various other factors and considerations, which, in the opinion of the Board, justify and require the projects therein proposed. Such plan shall specify the type of equipment to be utilized, the areas to be served, the routes and schedules of service expected to be provided and the probable fares and charges therefor.

(b) In preparing the mass transit plan, and in any review of revision thereof, the Board shall make full utilization of all data, studies, reports and information available from the National Capital Transportation Agency and from any other agencies of the federal government, and from signatories and the political subdivisions thereof.

Planning process

14. (a) The mass transit plan, and any revisions, alterations or amendments thereof, shall be coordinated, through the procedures hereinafter set forth, with

(1) other plans and programs affecting transportation in the Zone in order to achieve a balanced system of transportation, utilizing each mode to its best advantage;

(2) the general plan or plans for the development of the Zone; and

(3) the development plans of the various political subdivisions embraced within the Zone.

(b) It shall be the duty and responsibility of each member of the Board to serve as liaison between the Board and the body which appointed him to the Board. To provide a framework for regional participation in the planning process, the Board shall create technical committees concerned with planning and collection and analyses of data relative to decision-making in the transportation planning process and the Commissioners of the District of Columbia, the component governments of the Northern Virginia Transportation District and the Washington Suburban Transit District shall appoint representatives to such technical committees and otherwise cooperate with the Board in the formulation of a mass transit plan, or in revisions, alterations or amendments thereof.

(c) The Board, in the preparation, revision, alteration or amendment of a mass transit plan, shall

(1) consider data with respect to current and prospective conditions in the Zone, including, without limitation, land use, population, economic factors affecting development plans, goals or objectives for the development of the Zone and the separate political subdivisions, transit demands to be generated by such development, travel patterns, existing and proposed transportation and transit facilities, impact of transit plans on the dislocation of families and businesses, preservation of the beauty and dignity of the Nation's Capital, factor affecting environmental amenities and esthetics and financial resources;

(2) cooperate with and participate in any continuous, comprehensive transportation planning process cooperatively established by the highway agencies of the signatories and the local political subdivisions in the Zone to meet the planning standards now or hereafter prescribed by the Federal-Aid Highway Acts; and

(3) to the extent not inconsistent with or duplicative of the planning process specified in subparagraph (2) of this paragraph (c), cooperate with the National Capital Planning Commission, the National Capital Regional Planning Council, the Washington Metropolian Council of Governments, the Washington Metropolitan Area Transit Commission, the highway agencies of the Signatories, the Maryland-National Capital Park and Planning Commission, the Northern Virginia Regional Planning and Economic Development Commission, the Maryland State Planning Department and the Commission of Fine Arts. Such cooperation shall include the creation, as necessary, of technical committees composed of personnel, appointed by such agencies, concerned with planning and collection and analysis of data relative to decisionmaking in the transportation planning process.

Adoption of mass transit plan

15. (a) Before a mass transit plan is adopted, altered, revised or amended, the Board shall transmit such proposed plan, alteration, revision or amendment for comment to the following and to such other agencies as the Board shall determine:

(1) the Commissioners of the District of Columbia, the Northern Virginia Transportation Commission and the Washington Suburban Transit Commission;

(2) the governing bodies of the Counties and Cities embraced within the Zone;

(3) the highway agencies of the Signatories;

(4) the Washington Metropolitan Area Transit Commission;

(5) the Washington Metropolitan Council of Governments;

(6) the National Capital Planning Commission;

(7) The National Capital Regional Planning Council;

(8) the Maryland-National Capital Park and Planning Commission;

(9) the Northern Virginia Regional Planning and Economic Development Commission;

(10) the Maryland State Planning Department; and

(11) the private transit companies operating in the Zone and the Labor Unions representing the employees of such companies and employees of contractors providing service under operating contracts.

Information with respect thereto shall be released to the public. A copy of the proposed mass transit plan, amendment or revision, shall be kept at the office of the Board and shall be available for public inspection. After thirty days' notice published once a week for two successive weeks in one or more newspapers of general circulation within the Zone, a public hearing shall be held with respect to the proposed plan, alteration, revision or amendment. The thirty days' notice shall begin to run on the first day the notice appears in any such newspaper. The Board shall consider the evidence submitted and statements and comments made at such hearing and may make any changes in the proposed plan, amendment or revision which it deems appropriate and such changes may be made without further hearing.

Article VII

Financing

Policy

16. With due regard for the policy of Congress for financing a mass transit plan for the Zone set forth in Section 204(g) of the National Capital Transportation Act of 1960 (74 Stat. 537), it is hereby declared to be the policy of this Title that, as far as possible, the payment of all costs shall be borne by the persons using or benefiting from the Authority's facilities and services and any remaining costs shall be equitably shared among the federal, District of Columbia and participating local governments in the Zone. The allocation among such governments of

such remaining costs shall be determined by agreement among them and shall be provided in the manner hereinafter specified.

Plan of financing

17. (a) The Authority, in conformance with said policy, shall prepare and adopt a plan for financing the construction, acquisition, and operation of facilities specified in a mass transit plan adopted pursuant to Article VI hereof, or in any alteration, revision or amendment thereof. Such plan of financing shall specify the facilities to be constructed or acquired, the cost thereof, the principal amount of revenue bonds, equipment trust certificates, and other evidences of debt proposed to be issued, the principal terms and provisions of all loans and underlying agreements and indentures, estimated operating expenses and revenues, and the proposed allocation among the federal, District of Columbia, and participating local governments of the remaining costs and deficits, if any, and such other information as the Commission may consider appropriate.

(b) Such plan of financing shall constitute a proposal to the interested governments for financial participation and shall not impose any obligation on any government and such obligations shall be created only as provided in Section 18 of this Article VII.

Commitments for financial participation

18. (a) Commitments on behalf of the portion of the Zone located in Virginia shall be by contract or agreement by the Authority with the Northern Virginia Transportation District, or its component governments, as authorized in the Transportation District Act of 1964 (Ch. 631, 1964 Acts of Virginia Assembly), to contribute to the capital required for the construction and/or acquisition of facilities specified in a mass transit plan adopted as provided in Article VI, or any alteration, revision or amendment thereof, and for meeting expenses and obligations in the operation of such facilities. No such contract or agreement, however, shall be entered into by the Authority with the Northern Virginia Transportation District unless said District has entered into the contracts or agreements with its member governments, as contemplated by Section 1(b)(4) of Article 4 of said Act, which contracts or agreements expressly provide that such contracts or agreements shall inure to the benefit of the Authority and shall be enforceable by the Authority in accordance with the provisions of Section 2, Article 5 of said Act, and such contracts or agreements are acceptable to the Board. The General Assembly of Virginia hereby authorizes and designates the Authority as the agency to plan for and provide transit facilities and services for the area of Virginia encompassed within the Zone within the contemplation of Article 1, Section 3(c) of said Act.

(b) Commitments on behalf of the portion of the Zone located in Maryland shall be by contract or agreement by the Authority with the Washington Suburban Transit District, pursuant to which the Authority undertakes to provide transit facilities and service in consideration for the agreement by said District to contribute to the capital required for the construction and/or acquistion of facilities specified in a mass transit plan adopted as provided in Article VI, or in any alteration, revision or amendment thereof, and for meeting expenses and obligations incurred in the operation of such facilities.

(c) With respect to the District of Columbia and the federal government, the commitment or obligation to render financial assistance shall be created by appropriation or in such other manner, or by such other legislation, as the Congress shall determine. If prior to making such commitment by or on behalf of the District of Columbia, legislation is enacted by the Congress granting the governing body of the District of Columbia plenary power to create obligations and levy taxes, the commitment by the District of Columbia shall be by contract or agreement between the governing body of the District of Columbia and the Authority, pursuant to which the Authority undertakes, subject to the provisions of Section 20 hereof, to provide transit facilities and service in consideration for the undertaking by the District of Columbia to contribute to the capital required for the construction and/or acquisition of facilities specified in a mass transit plan adopted as provided in Article VI, or in any alteration, revision or amendment thereof, and for meeting expenses and obligations incurred in the operation of such facilities.

Administrative expenses

19. Prior to the time the authority has receipts from appropriations and contracts or agreements as provided in Section 18 of this Article VII, the expenses of the Authority for administration and for preparation of a mass transit and financing plan, including all engineering, financial, legal and other services required in connection therewith, shall, to the extent funds for such expenses are not provided through grants by the federal government, be borne by the District of Columbia, by the Washington Suburban Transit District and the component governments of the Northern Virginia Transportation District. Such expenses shall be allocated among such governments on the basis of population as reflected by the latest available population statistics of the Bureau of the Census; provided, however, That upon the request of any Director the Board shall make the allocation upon estimates of population acceptable to the Board. The allocations shall be made by the Board and shall be included in the annual current expense budget prepared by the Board.

Acquisition of facilities from Federal or other agencies

20. (a) The Authority is authorized to acquire by purchase, lease or grant or in any manner other than condemnation, from the federal government, or any agency thereof, from the District of Columbia, Maryland or Virginia, or any political subdivision or agency thereof, any transit and related facilities, including real and personal property and all other assets, located within the Zone, whether in operation or under construction. Such acquisition shall be made upon such terms and conditions as may be agreed upon and subject to such authorization or approval by the Congress and the governing body of the District of Columbia, as may be required; provided, however, That if such acquisition imposes or may impose any further or additional obligation or liability upon the Washington Suburban Transit District, the Northern Virginia Transportation District, or any component government thereof, under any contract with the Authority, the Authority shall not make such acquisition until any such affected contract has been appropriately amended.

(b) For such purpose, the Authority is authorized to assume all liabilities and contracts relating thereto, to assume responsibility as primary obligor, endorser or guarantor on any outstanding revenue bonds, equipment trust certificates or other form of indebtedness authorized in this Act issued by such predecessor agency or agencies and, in connection therewith, to become a party to, and assume the obligations of, any indenture or loan agreement underlying or issued in connection with any outstanding securities or debts.

Temporary borrowing

21. The Board may borrow, in anticipation of receipts, from any signatory, the Washington Suburban Transit District, the Northern Virginia Transportation District, or any component government thereof, or from any lending institution for any purposes of this Title, including administrative expenses. Such loans shall be for a term not to exceed two years and at a rate of interest not to exceed six percent per annum. The signatories and any such political subdivision or agency may, in its discretion, make such loans from any available money.

Funding

22. The Board shall not construct or acquire any of the transit facilities specified in a mass transit plan adopted pursuant to the provisions of Article VI of this Title, or in any alteration, revision or amendment thereof, nor make any commitments or incur any obligations with respect thereto until funds are available therefor.

Article VIII

Budget

Capital budget

23. The Board shall annually adopt a capital budget, including all capital projects it proposes to undertake or continue during the budget period, containing a statement of the estimated cost of each project and the method of financing thereof.

Current expense budget

24. The Board shall annually adopt a current expense budget for each fiscal year. Such budget shall include the Board's estimated expenditures for administration, operation, maintenance and repairs, debt service requirements and payments to be made into any funds required to be maintained. The total of such expenses shall be balanced by the Board's estimated revenues and receipts from all sources, excluding funds included in the capital budget or otherwise earmarked for other purposes.

Adoption and distribution of budgets

25. (a) Following the adoption by the Board of annual capital and current expense budgets, the general manager shall transmit certified copies of such budgets to the principal budget officer of the federal government, the District of Columbia, the Washington Suburban Transit District and of the component governments of the Northern Virginia Transportation Commission at such time and in such manner as may be required under their respective budgetary procedures.

(b) Each budget shall indicate the amounts, if any, required from the federal government, the Government of the District of Columbia, the Washington Suburban Transit District, and the component governments of the Northern Virginia Transportation District, determined in accordance with the commitments made pursuant to Article VII, Section 18 of this Title, to balance each of said budgets.

Payments

26. Subject to such review and approval as may be required by their budgetary or other applicable processes, the federal government, the Government of the District of Columbia, the Washington Suburban Transit District and the component governments of the Northern Virginia Transportation District shall include in their respective budgets next to be adopted and appropriate or otherwise provide the amounts certified to each of them as set forth in the budgets.

Article IX

Revenue Bonds

Borrowing power

27. The Authority may borrow money for any of the purposes of this Title, may issue its negotiable bonds and other evidences of indebtedness in respect thereto and may mortgage or pledge its properties, revenues and contracts as security therefor.

All such bonds and evidences of indebtedness shall be payable solely out of the properties and revenues of the Authority. The bonds and other obligations of the Authority, except as may be otherwise provided in the indenture under which they were issued, shall be direct and general obligations of the Authority and the full faith and credit of the Authority are hereby pledged for the prompt payment of the debt service thereon and for the fulfillment of all other undertakings of the Authority assumed by it to or for the benefit of the holders thereof.

Funds and expenses

28. The purposes of this Title shall include, without limitation, all costs of any project or facility or any part thereof, including interest during a period of construction and for a period not to exceed two years thereafter and any incidental expenses (legal, engineering, fiscal, financial, consultant and other expenses) connected with issuing and disposing of the bonds; all amounts required for the creation of an operating fund, construction fund, reserve fund, sinking fund, or other special fund; all other expenses connected with administration, the planning, design, acquisition, construction, completion, improvement or reconstruction of any facility or any part thereof; and reimbursement of advances by the Board or by others for such purposes and for working capital.

Credit excluded; officers, State, political subdivisions and agencies

29. The Board shall have no power to pledge the credit of any signatory party, political subdivision or agency thereof, or to impose any obligation for payment of the bonds upon any signatory party, political subdivision or agency thereof, but may pledge the contracts of such governments and agencies; provided, however, that the bonds may be underwritten in whole or in part as to principal and interest by the United States, or by any political subdivision or agency of any signatory; provided, further, that any bonds underwritten in whole or in part as to principal and interest by the United States shall not be issued without approval of the Secretary of the Treasury. Neither the Directors nor any person executing the bonds shall be liable personally on the bonds of the Authority or be subject to any personal liability or accountability by reason of the issuance thereof.

Funding and refunding

30. Whenever the Board deems it expedient, it may fund and refund the bonds and other obligations of the Authority whether or not such bonds and obligations have matured. It may provide for the issuance, sale or exchange of refunding bonds for the purpose of redeeming or retiring any bonds (including the payment of any premium, duplicate interest or cash adjustment required in connection therewith) issued by the Authority or issued by any other issuing body, the proceeds of the sale of which have been applied to any facility acquired by the Authority or which are payable out of the revenues of any facility acquired by the Authority. Bonds may be issued partly to refund bonds and other obligations then outstanding, and partly for any other purpose of the Authority. All provisions of this Title applicable to the issuance of bonds are applicable to refunding bonds and to the issuance, sale or exchange thereof.

Bonds; authorization generally

31. Bonds and other indebtedness of the Authority shall be authorized by resolution of the Board. The validity of the authorization and issuance of any bonds by the Authority shall not be dependent upon nor affected in any way by: (i) the disposition of bond proceeds by the Board or by contract, commitment or action taken with respect to such proceeds; or (ii) the failure to complete any part of the project for which bonds are authorized to be issued. The Authority may issue bonds in one or more series and may provide for one or more consolidated bond issues, in such principal amounts and with such terms and provisions as the Board may deem necessary. The bonds may be secured by a pledge of all or any part of the property, revenues and franchises under its control. Bonds may be issued by the Authority in such amount, with such maturities and in such denominations and form or forms, whether coupon or registered, as to principal alone or as to both principal and interest, as may be determined by the Board. The Board may provide for redemption of bonds prior to maturity on such notice and at such time or times and with such redemption provisions, including premiums, as the Board may determine.

Bonds; resolutions and indentures generally

32. The Board may determine and enter into indentures or adopt resolutions providing for the principal amount, date or dates, maturities, interest rate, or rates, denominations, form, registration, transfer, interchange and other provisions of the bonds and coupons and the terms and conditions upon which the same shall be executed, issued, secured, sold, paid, redeemed, funded and refunded. The resolution of the Board authorizing any bond or any indenture so authorized under which the bonds are issued may include all such covenants and other provisions not inconsistent with the provisions of this Title, other than any restriction on the regulatory powers vested in the Board by this Title, as the Board may deem necessary or desirable for the issue, payment, security, protection or marketing of the bonds including without limitation covenants and other provisions as to the rates or amounts of fees, rents and other charges to be charged or made for use of the facilities; the use, pledge, custody, securing, application and disposition of such revenues, of the proceeds of the bonds, and of any other moneys or contracts of the Authority; the operation, maintenance, repair and reconstruction of the facilities and the amounts which may be expended therefor; the sale, lease or other disposition of the facilities; the insuring of the facilities and of the revenues derived therefrom; the construction or other acquisition of other facilities; the issuance of additional bonds or other indebtedness; the rights of the bondholders and of any trustee for the bondholders upon default by the Authority or otherwise; and the modification of the provisions of the indenture and of the bonds. Reference on the face of the bonds to such resolution or indenture by its date of adoption or the apparent date on the face thereof is sufficient to incorporate all of the provisions thereof and of this Title into the body of the bonds and their appurtenant coupons. Each taker and subsequent holder of the bonds or coupons, whether the coupons are attached to or detached from the bonds, has recourse to all of the provisions of the indenture and of this Title and is bound thereby.

Maximum maturity

33. No bond or its terms shall mature in more than fifty years from its own date and in the event any authorized issue is divided into two or more series or divisions, the maximum maturity date herein authorized shall be calculated from the date on the face of each bond separately, irrespective of the fact that different dates may be prescribed for the bonds of each separate series or division of any authorized issue.

Tax exemption

34. All bonds and all other evidences of debt issued by the Authority under the provisions of this Title and the interest thereon shall at all times be free and exempt from all taxation by or under authority of any signatory parties, except for transfer, inheritance and estate taxes.

Interest

35. Bonds shall bear interest at a rate of not to exceed six percent per annum, payable annually or semiannually.

Place of payment

36. The Board may provide for the payment of the principal and interest of bonds at any place or places within or without the signatory states, and in any specified lawful coin or currency of the United States of America.

Execution

37. The Board may provide for the execution and authentication of bonds by the manual, lithographed or printed facsimile signature of members of the Board, and by additional authentication by a trustee or fiscal agent appointed by the Board; provided, however, that one of such signatures shall be manual. If any of the members whose signatures or countersignatures appear upon the bonds or coupons cease to be members before the delivery of the bonds or coupons, their signatures or countersignatures are nevertheless valid and of the same force and effect as if the memers had remained in office until the delivery of the bonds and coupons.

Holding own bonds

38. The Board shall have power out of any funds available therefor to purchase its bonds and may hold, cancel or resell such bonds.

Sale

39. The Board may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. The Board may sell bonds at less than their par or face value but no issue of bonds may be sold at an aggregate price below the par or face value thereof if such sale would result in a net interest cost to the Authority calculated upon the entire issue so sold of more than six percent per anum payable semiannually, according to standard tables of bond values. All bonds issued and sold pursuant to this Title may be sold in such manner, either at public or private sale, as the Board shall determine.

Negotiability

40. All bonds issued under the provisions of this Title are negotiable instruments.

Bonds eligible for investment and deposit

41. Bonds issued under the provisions of this Title are hereby made securities in which all public officers and public agencies of the signatories and their political subdivisions and all banks, trust companies, savings and loan associations, investment companies and others carrying on a banking business, all insurance companies and insurance associations and others carrying on an insurance business, all administrators, executors, guardians, trustees and other fiduciaries, and all other persons may legally and properly invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any officer of any signatory, or of any agency or political subdivision of any signatory, for any purpose for which the deposit of bonds or other obligations of such signatory is now or many hereafter be authorized by law.

Validation proceedings

42. Prior to the issuance of any bonds, the Board may institute a special proceeding to determine the legality of proceedings to issue the bonds and their validity under the laws of any of the signatory parties. Such proceeding shall be instituted and prosecuted in rem and the final judgment rendered therein shall be conclusive against all persons whomsoever and against each of the signatory parties.

Recording

43. No indenture need be recorded or filed in any public office, other than the office of the Board. The pledge of revenues provided in any indenture shall take effect forthwith as provided therein and irrespective of the date of receipt of such revenues by the Board of the indenture trustee. Such pledge shall be effective as provided in the indenture without physical delivery of the revenues to the Board or to the indenture trustee.

Pledge revenues

44. Bond redemption and interest payments shall, to the extent provided in the resolution or indenture, constitute a first, direct and exclusive charge and lien on all revenues received from the use and operation of the facility, and on any sinking or other funds created therefrom. All such revenues, together with interest thereon, shall constitute a trust fund for the security and payment of such bonds and except as and to the extent provided in the indenture with respect to the payment therefrom of expenses for other purposes including administration, operation, maintenance, improvements or extensions of the facilities or other purposes shall not be used or pledged for any other purpose so long as such bonds, or any of them, are outsanding and unpaid.

Remedies

45. The holder of any bond may for the equal benefit and protection of all holders of bonds similarly situated: (1) by mandamus or other appropriate proceedings require and compel the performance of any of the duties imposed upon the Board or assumed by it, its officers, agents or employees under the provisions of any indenture, in connection with the acquisition, construction, operation, maintenance, repair, reconstruction or insurance of the facilities, or in connection with the collection, deposit, investment, application and disbursement of the revenues derived from the operation and use of the facilities, or in connection with the deposit, investment and disbursement of the proceeds received from the sale of bonds; or (2) by action or suit in a court of competent jurisdiction of any signatory party require the Authority to account as if it were the trustee of an express trust, or enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the bonds. The enumeration of such rights and remedies does not, however, exclude the exercise or prosecution of any other rights or remedies available to the holders of bonds.

Article X

Equipment Trust Certificates

Power

46. The Board shall have power to execute agreements, leases and equipment trust certificates with respect to the purchase of facilities or equipment such as cars, trolley buses and motor buses, or other craft, in the form customarily used in such cases and appropriate to effect such purchase, and may dispose of such equipment trust certificates in such manner as it may determine to be for the best interests of the Authority. Each vehicle covered by an equipment trust certificate shall have the name of the owner or lessor plainly marked upon both sides thereof, followed by the words "Owner and Lessor".

Payments

47. All monies required to be paid by the Authority under the provisions of such agreements, leases and equipment trust certificates shall be payable solely from the revenue to be derived from the operation of the transit system or from such grants, loans, appropriations or other revenues, as may be available to the Board under the provisions of this Title. Payment for such facilities or equipment, or rentals thereof, may be made in installments, and the deferred installments may be evidenced by equipment trust certificates as aforesaid, and title to such facilities or equipment may not vest in the Authority until the equipment trust certificates are paid.

Procedure

48. The agreement to purchase facilities or equipment by the Board may direct the vendor to sell and assign the equipment to a bank or trust company, duly authorized to transact business in any of the signatory States, or to the Housing and Home Finance Administrator, as trustee, lessor or vendor, for the benefit and security of the equipment trust certificates and may direct the trustee to deliver the facilities and equipment to one or more designated officers of the Board and may authorize the trustee simultaneously therewith to execute and deliver a lease of the facilities or equipment to the Board.

Agreements and leases

49. The agreements and leases shall be duly acknowledged before some person authorized by law to take acknowledgements of deeds and in the form required for acknowledgement of deeds and such agreements, leases, and equipment trust certificates shall be authorized by resolution of the Board and shall contain such covenants, conditions and provisions as may be deemed necessary or appropriate to insure the payment of the equipment trust certificates from the revenues to be derived from the operation of the transit system and other funds.

The covenants, conditions and provisions of the agreements, leases and equipment trust certificates shall not conflict with any of the provisions of any resolution or trust agreement securing the payment of bonds or other obligations of the Authority then outstanding or conflict with or be in derogation of the rights of the holders of any such bonds or other obligations.

Law governing

50. The equipment trust certificates issued hereunder shall be governed by Laws of the District of Columbia and for this purpose the chief place of business of the Authority shall be considered to be the District of Columbia. The filing of any documents required or permitted to be filed shall be governed by the Laws of the District of Columbia.

Article XI

Operation of Facilities

Operation by contract or lease

51. The Authority shall not perform transit service, nor any of the functions, such as maintenance of equipment and right of way normally associated with the providing of such service, with any transit facilities owned or controlled by it but shall provide for the performance of transit service with such facilities by contract or contracts with private transit companies, private railroads, or other persons. Any facilities and properties owned or controlled by the Authority, other than those utilized in performing transit service, may be operated by the Authority or by others pursuant to contract or lease as the Board may determine. All operations of such facilities and properties by the Authority and by its Contractor and lessees shall be within the Zone.

The operating contract

52. Without limitation upon the right of the Board to prescribe such additional terms and provisions as it may deem necessary and appropriate, the operating contract shall;

(a) specify the services and functions to be performed by the Contractor;

(b) provide that the Contractor shall hire, supervise and control all personnel required to perform the services and functions assumed by it under the operating contract and that all such personnel shall be employees of the Contractor and not of the Authority;

(c) require the Contractor to assume the obligations of the labor contract or contracts of any transit company which may be acquired by the Authority and assume the pension obligations of any such transit company;

(d) require the Contractor to comply in all respects with the labor policy set forth in Article XIV of this Title;

(e) provide that no transfer of ownership of the capital stock, securities or interests in any Contractor, whose principal business is the operating contract, shall be made without written approval of the Board and the certificates or other instruments representing such stock, securities or interests shall contain a statement of this restriction;

(f) provide that the Board shall have the sole authority to determine the rates or fares to be charged, the routes to be operated and the service to be furnished;

(g) specify the obligations and liabilities which are to be assumed by the Contractor and those which are to be the responsibility of the Authority;

(h) provide for an annual audit of the books and accounts of the Contractor by an independent certified public accountant to be selected by the Board and for such other audits, examinations and investigations of the books and records, procedures and affairs of the Contractor at such times and in such manner as the Board shall require, the cost of such audits, examinations and investigations to be borne as agreed by the parties in the operating contract; and

(i) provide that no operating contract shall be entered into for a term in excess of five years; provided, that any such contract may be renewed for successive terms, each of which shall not exceed five years. Any such operating contract shall be subject to termination by the Board for cause only.

Compensation for contractor

53. Compensation to the Contractor under the operating contract may, in the discretion of the Board, be in the form of (1) a fee paid by the Board to the Contractor for services, (2) a payment by the Contractor to the Board for the right to operate the system, or (3) such other arrangement as the Board may prescribe: *Provided, however,* That the compensation shall bear a reasonable relationship to the benefits to the Authority and to the estimated costs the Authority would incur in directly performing the functions and duties delegated under the operating contract: *And provided further* That no such contract shall create any right in the Contractor (1) to make or change any rate or fare or alter or change the service specified in the contract to be provided or (2) to seek judicial relief by any form of original action, review or other proceedings from any rate or fare or service prescribed by the Board. Any assertion, or attempted assertion, by the Contractor of the right to make or change any rate or fare or service prescribed by the Board shall constitute cause for termination of the operating contract. The operating contract may provide incentives for efficient and economical management.

Selection of contractor

54. The Board shall enter into an operating contract only after formal advertisement and negotiations with all interested and qualified parties, including private transit companies rendering transit service within the Zone: *Provided, however,* That, if the Authority acquires transit facilities from any agency of the federal or District of Columbia governments, in accordance with the provisions of article VII, section 20 of this title, the Authority shall assume the obligations of any operating contract which the transferor agency may have entered into.

Article XII

Coordination of Private and Public Facilities

Declaration of policy

55. It is hereby declared that the interest of the public in efficient and economical transit service and in the financial well-being of the Authority and of the private transit companies requires that the public and private segments of the regional transit system be operated, to the fullest extent possible, as a coordinated system without unnecessary duplicating service.

Implementation of policy

56. In order to carry out the legislative policy set forth in Section 55 of this Article XII

(a) The Authority—

(1) except as herein provided, shall not, directly or through a Contractor, perform transit service by bus or similar motor vehicles;

(2) shall, in cooperation with the private carriers and WMATC, coordinate to the fullest extent practicable, the schedules for service performed by its facilities with the schedules for service performed by private carriers; and

(3) shall enter into agreements with the private carriers to establish and maintain, subject to approval by WMATC, through routes and joint fares and provide for the division thereof, or, in the absence of such agreements, establish and maintain through routes and joint fares in accordance with orders issued by WMATC directed to the private carriers when the terms and conditions for such through service and joint fares are acceptable to it.

(b) The WMATC, upon application, complaint, or upon its own motion, shall—

(1) direct private carriers to coordinate their schedules for service with the schedules for service performed by facilities owned or controlled by the Authority;

(2) direct private carriers to improve or extend any existing services or provide additional service over additional routes:

(3) authorize a private carrier, pursuant to agreement between said carrier and the Authority, to establish and maintain through routes and joint fares for transportation to be rendered with facilities owned or controlled by the Authority if, after hearing held upon reasonable notice, WMATC finds that such through routes and joint fares are required by the public interest; and

(4) in the absence of such an agreement with the Authority, direct a private carrier to establish and maintain through routes and joint fares with the Authority, if, after hearing held upon reasonable notice, WMATC finds that such through service and joint fares are required by the public interest; provided, however, that no such order, rule or regulation of WMATC shall be construed to require the Authority to establish and maintain any through route and joint fare.

(c) WMATC shall not authorize or require a private carrier to render any service, including the establishment or continuation of a joint fare for a through route service with the Authority which is based on a division thereof between the Authority and private carrier which does not provide a reasonable return to the private carrier, unless the carrier is currently earning a reasonable return on its operation as a whole in performing transportation subject to the jurisdiction of WMATC. In determining the issue of reasonable return, WMATC shall take into account any income attributable to the carrier, or to any corporation, firm or association owned in whole or in part by the carrier, from the Authority whether by way of payment for services or otherwise.

(d) If the WMATC is unable, through the exercise of its regulatory powers over the private carriers granted in paragraph (b) hereof or otherwise, to bring about the requisite coordination of operations and service between the private carriers and the Authority, the Authority may in the situations specified in paragraph (b) hereof, cause such transit service to be rendered by its Contractor by bus or other motor vehicle, as it shall deem necessary to effectuate the policy set forth in Section 55 hereof. In any such situation, the Authority, in order to encourage private carriers to render bus service to the fullest extent practicable, may, pursuant to agreement, make reasonable subsidy payments to any private carrier.

Rights of private carriers unaffected

57. Nothing in this Title shall restrict or limit such rights and remedies, if any, that any private carrier may have against the Authority arising out of acts done or actions taken by the Authority hereunder. In the event any court of competent jurisdiction shall determine that the Authority has unlawfully infringed any rights of any private carrier or otherwise caused or permitted any private carrier to suffer legally cognizable injury, damages or harm and shall award a judgment therefor, such judgment shall constitute a lien against any and all of the assets and properties of the Authority.

Financial assistance to private carriers

58. (a) The Board may accept grants from and enter into loan agreements with the Housing and Home Finance Administrator, pursuant to the provisions of the Urban Mass Transportation Act of 1964 (78 Stat. 302), or with any successor agency or under any law of similar purport, for the purpose of rendering financial assistance to private carriers.

(b) An application by the Board for any such grant or loan shall be based on and supported by a report from WMATC setting forth for each private carrier to be assisted (1) the equipment and facilities to be acquired, constructed, reconstructed, or improved, (2) the service proposed to be rendered by such equipment and facilities, (3) the improvement in service expected from such facilities and equipment, (4) how the use of such facilities and equipment will be coordinated with the transit facilities owned by the Authority, (5) the ability of the affected private carrier to repay any such loans or grants and (6) recommend terms for any such loans or grants.

(c) Any equipment or facilities acquired, constructed, reconstructed or improved with the proceeds of such grants or loans shall be owned by the Authority and may be made available to private carriers only by lease or other agreement which contain provisions acceptable to the Housing and Home Finance Administrator assuring that the Authority will have satisfactory continuing control over the use of such facilities and equipment.

Article XIII

Jurisdiction; Rates and Service

Washington Metropolitan Area Transit Commission

59. Except as provided herein, this Title shall not affect the functions and jurisdiction of WMATC, as granted by Titles I and II of this Compact, over the transportation therein specified and the persons engaged therein and the Authority shall have no jurisdiction with respect thereto.

Public facilities

60. Service performed by transit facilities owned or controlled by the Authority, and the rates and fares to be charged for such service, shall be subject to the sole and exclusive jurisdiction of the Board and, notwithstanding any other provision in this Compact contained, WMATC shall have no authority with respect thereto, or with respect to any contractor in connection with the operation by it of transit facilities owned or controlled by the Authority. The determinations of the Board with respect to such matters shall not be subject to judicial review nor to the processes of any court.

Standards

61. Insofar as practicable, and consistent with the provision of adequate service at reasonable fares, the rates and fares and service shall be fixed by the Board so as to result in revenues which will:

(a) pay the operating expenses and provide for repairs, maintenance and depreciation of the transit system owned or controlled by the Authority;

(b) provide for payment of all principal and interest on outstanding revenue bonds and other obligations and for payment of all amounts to sinking funds and other funds as may be required by the terms of any indenture or loan agreement;

(c) provide for the purchase, lease or acquisition of rolling stock, including provisions for interest, sinking funds, reserve funds, or other funds required for payment of any obligations incurred by the Authority for the acquisition of rolling stock; and

(d) provide funds for any purpose the Board deems necessary and desirable to carry out the purposes of this Title.

Hearings

62. (a) The Board shall not make or change any fare or rate, nor establish or abandon any service except after holding a public hearing with respect thereto.

(b) Any signatory, any political subdivision thereof, any agency of the federal government and any person, firm or association served by or using the transit facilities of the Authority and any private carrier may file a request with the Board for a hearing with respect to any rates or charges made by the Board or any service rendered with the facilities owned or controlled by the Authority. Such request shall be in writing, shall state the matter on which a hearing is requested and shall set forth clearly the matters and things on which the request relies. As promptly as possible after such a request is filed, the Board, or such officer or employee as it may designate, shall confer with the protestant with respect to the matters complained of. After such conference, the Board, if it deems the matter meritorious and of general significance, may call a hearing with respect to such request.

(c) The Board shall give at least thirty days' notice for all hearings. The notice shall be given by publication in a newspaper of daily circulation throughout the Zone and such notice shall be published once a week for two successive weeks. The notice shall start with the day of first publication. In addition, the Board shall post notices of the hearing in its offices, all stations and terminals and in all of its vehicles and rolling stock in revenue service.

(d) Prior to calling a hearing on any matter specified in this section, the Board shall prepare and file at its main office and keep open for public inspection its report relating to the proposed action to be considered at such hearing. Upon receipt by the Board of any report submitted by WMATC, in connection with a matter set for hearing, pursuant to the provisions of Section 63 of this Article XIII, the Board shall file such report at its main office and make it available for public inspection. For hearings called by the Board pursuant to paragraph (b), above, the Board also shall cause to be lodged and kept open for public inspection the written request upon which the hearing is granted and all documents filed in support thereof.

Reference of Matters to WMATC

63. To facilitate the attainment of the public policy objectives for operation of the publicly and privately owned or controlled transit facilities as stated in Article XII, Sec-

tion 55, prior to the hearings provided for by Section 62 hereof—

(a) The Board shall refer to WMTAC for its consideration and recommendations, any matter which the Board considers may affect the operation of the publicly and privately owned or controlled transit facilities as a coordinated regional transit system and any matter for which the Board has called a hearing, pursuant to Section 62 of this Article XIII, except that temporary or emergency changes in matters affecting service shall not be referred; and

(b) WMATC, upon such reference of any matter to it, shall give the referred matter preference over any other matters pending before it and shall, as expeditiously as practicable, prepare and transmit its report thereon to the Board. The Board may request WMATC to reconsider any part of its report or to make any supplemental reports it deems necessary. All of such reports shall be advisory only.

(c) Any report submitted by WMATC to the Board shall consider, without limitation, the probable effect of the matter or proposal upon the operation of the publicly and privately owned or controlled transit facilities as a coordinated regional system, passenger movements, fare structures, service and the impact on the revenues of both the public and private facilities.

Article XIV

Labor Policy

Construction

64. The Board shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating, of projects, buildings and works which are undertaken by the Authority or are financially assisted by it, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in any workweek, as the case may be. A provision stating the minimum wages thus determined and the requirement that overtime be paid as above provided shall be set out in each project advertisement for bids and in each bid proposal form and shall be made a part of the contract covering the project, which contract shall be deemed to be a contract of the character specified in Section 103 of the Contract Work Hours Standards Act (76 Stat. 357), as now or as may hereafter be in effect. The Secretary of Labor shall have, with respect to the administration and enforcement of the labor standards specified in this provision, the supervisory, investigatory and other authority and functions set forth in Reorganization Plan Number 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)). The requirements of this section shall also be applicable with respect to the employment of laborers and mechanics in the construction, alteration or repair, including painting and decorating, of the transit facilities owned or controlled by the Authority where such activities are performed by a Contractor pursuant to agreement with the operator of such facilities.

Equipment and supplies

65. Contracts for the manufacture or furnishing of materials, supplies, articles and equipment shall be subject to the provisions of the Walsh-Healey Public Contracts Act (41 U.S.C. 35 et seq.), as now or as may hereafter be in effect.

Operations

66. It shall be a condition of the operation of the transit facilities owned or controlled by the Authority that the provisions of section 10(c) of the Urban Mass Transportation Act of 1964 (49 U.S.C. 1609(c)) shall be applicable to any contract or other arrangement for the operation of such facilities.

Article XV

Relocation Assistance

Relocation program and payments

67. Section 7 of the Urban Mass Transportation Act of 1964, and as the same may from time to time be amended, and all regulations promulgated thereunder, are hereby made applicable to individuals, families, business concerns and nonprofit organizations displaced from real property by actions of the Authority without regard to whether financial assistance is sought by or extended to the Authority under any provision of that Act; provided, however, that in the event real property is acquired for the Authority by an agency of the federal government, or by a State or local agency or instrumentality, the Authority is authorized to reimburse the acquiring agency for relocation payments made by it.

Relocation of public or public utility facilities

68. Notwithstanding the provisions of Section 67 of this article XV, any highway or other public facility or any facilities of a public utility company which will be dislocated by reason of a project deemed necessary by the Board to effectuate the authorized purposes of this Title shall be relocated if such facilities are devoted to a public use, and the reasonable cost of relocation, if substitute facilities are necessary, shall be paid by the Board from any of its monies.

Article XVI

General Provisions

Creation and administration of funds

69. (a) The Board may provide for the creation and administration of such funds as may be required. The funds shall be disbursed in accordance with rules established by the Board and all payments from any fund shall be reported to the Board. Monies in such funds and other monies of the Authority shall be deposited, as directed by the Board, in any state or national bank located in the Zone having a total paid-in capital of at least one million dollars ($1,000,000). The trust department of any such state or national bank may be designated as a depositary to receive any securities acquired or owned by the Authority. The restriction with respect to paid-in capital may be waived for any such bank which agrees to pledge federal securities to protect the funds and securities of the Authority in such amounts and pursuant to such arrangements as may be acceptable to the Board.

(b) Any monies of the Authority may, in the discretion of the Board and subject to any agreement or covenant between the Authority and the holders of any of its obligations limiting or restricting classes of investments, be invested in bonds or other obligations of, or guaranteed as to interest and principal by, the United States, Maryland, Virginia or the political subdivisions or agencies thereof.

Annual independent audit

70. (a) As soon as practical after the closing of the fiscal year, an audit shall be made of the financial accounts of the Authority. The audit shall be made by qualified certified public accountants selected by the Board, who shall have no personal interest direct or indirect in the financial affairs of the Authority or any of its officers or employees. The report of audit shall be prepared in accordance with generally accepted auditing principles and shall be filed with the Chairman and other officers as the Board shall direct. Copies of the report shall be distributed to each Director, to the Congress, to the Board of Commissioners of the District of Columbia, to the Governors of Virginia and Maryland, to the Washington Suburban Transit Commission, to the Northern Virginia Transportation Commission and to the governing bodies of the political subdivisions located within the Zone which are parties to commitments for participation in the financing of the Authority and shall be made available for public distribution.

(b) The financial transactions of the Board shall be subject to audit by the United States General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts of the Board are kept.

(c) Any Director, officer or employee who shall refuse to give all required assistance and information to the accountants selected by the Board or who shall refuse to submit to them for examination such books, documents, records, files, accounts, papers, things, or property as may be requested shall, in the discretion of the Board, forfeit his office.

Reports

71. The Board shall make and publish an annual report on its programs, operations and finances, which shall be distributed in the same manner provided by Section 70 of this Article XVI for the report of annual audit. It may also prepare, publish and distribute such other public reports and informational materials as it may deem necessary or desirable.

Insurance

72. The Board may self-insure or purchase insurance and pay the premiums therefore against loss or damage to any of its properties; against liability for injury to persons or property; and against loss of revenue from any cause whatsoever. Such insurance coverage shall be in such form and amount as the Board may determine, subject to the requirements of any agreement arising out of issuance of bonds or other obligations by the Authority.

Purchasing

73. Contracts for the construction, reconstruction or improvement of any facility when the expenditure required exceeds ten thousand dollars ($10,000) and contracts for the purchase of supplies, equipment and materials when the expenditure required exceeds two thousand five hundred dollars ($2,500) shall be advertised an let upon sealed bids to the lowest responsible bidder. Notice requesting such bids shall be published in a manner reasonably likely to attract prospective bidders, which publication shall be made at least ten days before bids are received and in at least two newspapers of general circulation in the Zone. The Board may reject any and all bids and readvertise in its discretion. If after rejecting bids the Board determines and resolves that, in its opinion, the supplies, equipment and materials may be purchased at a lower price in the open market, the Board may give each responsible bidder an opportunity to negotiate a price and may proceed to purchase the supplies, equipment and materials in the open market at a negotiated price which is lower than the lowest rejected bid of a responsible bidder, without further observance of the provisions requiring bids or notice. The Board shall adopt rules and regulations to provide for purchasing from the lowest responsible bidder when sealed bids, notice and publication are not required by this

section. The Board may suspend and waive the provisions of this section requiring competitive bids whenever:

(a) the purchase is to be made from or the contract is to be made with the federal or any State government or any agency or political subdivision thereof or pursuant to any open end bulk purchase contract of any of them;

(b) the public exigency requires the immediate delivery of the articles;

(c) only one source of supply is available; or

(d) the equipment to be purchased is of a technical nature and the procurement thereof without advertising is necessary in order to assure standardization of equipment and interchangeability of parts in the public interest.

Rights of way

74. The Board is authorized to locate, construct and maintain any of its transit and related facilities in, upon, over, under or across any streets, highways, freeways, bridges and any other vehicular facilities, subject to the applicable laws governing such use of such facilities by public agencies. In the absence of such laws, such use of such facilities by the Board shall be subject to such reasonable conditions as the highway department or other affected agency of a signatory party may require: *Provided, however,* That the Board shall not construct or operate transit or related facilities upon, over, or across any parkways or park lands without the consent of, and except upon the terms and conditions required by, the agency having jurisdiction with respect to such parkways and park lands, but may construct or operate such facilities in a subway under such parkways or park lands upon such reasonable terms and conditions as may be specified by the agency having jurisdiction with respect thereto.

Compliance with laws, regulations and ordinances

75. The Board shall comply with all laws, ordinances and regulations of the signatories and political subdivisions and agencies thereof with respect to use of streets, highways and all other vehicular facilities, traffic control and regulation, zoning, signs and buildings.

Police

76. The Board is authorized to employ watchmen, guards and investigators as it may deem necessary for the protection of its properties, personnel and passengers and such employees, when authorized by any jurisdiction within the Zone, may serve as special police officers in any such jurisdiction. Nothing contained herein shall relieve any signatory or political subdivision or agency thereof from its duty to provide police service and protection or to limit, restrict or interfere with the jurisdiction of or performance of duties by the existing police and law enforcement agencies.

Exemption from regulation

77. Except as otherwise provided in this Title, any transit service rendered by transit facilities owned or controlled by the Authority and the Authority or any corporation, firm or association performing such transit service pursuant to an operating contract with the Authority, shall, in connection with the performance of such service, be exempt from all laws, rules, regulations and orders of the signatories and of the United States otherwise applicable to such transit service and persons, except that laws, rules, regulations and orders relating to inspection of equipment and facilities, safety and testing shall remain in force and effect: *Provided, however,* That the Board may promulgate regulations for the safety of the public and employees not inconsistent with the applicable laws, rules, regulations or orders of the signatories and of the United States.

Tax exemption

78. It is hereby declared that the creation of the Authority and the carrying out of the corporate purposes of the Authority is in all respects for the benefit of the people of the signatory states and is for a public purpose and that the Authority and the Board will be performing an essential governmental function, including, without limitation, proprietary, governmental and other functions, in the exercise of the powers conferred by this Title. Accordingly, the Authority and the Board shall not be required to pay taxes or assessments upon any of the property acquired by it or under its jurisdiction, control, possession or supervision or upon its activities in the operation and maintenance of any transit facilities or upon any revenues therefrom and the property and income derived therefrom shall be exempt from all federal, State, District of Columbia, municipal and local taxation. This exemption shall include, without limitation, all motor vehice license fees, sales taxes and motor fuel taxes.

Free transportation and school fares

79. All laws of the signatories with respect to free transportation and school fares shall be applicable to transit service rendered by facilities owned or controlled by the Authority.

Liability for contracts and torts

80. The Authority shall be liable for its contracts and for its torts and those of its Directors, officers, employees and agent committed in the conduct of any proprietary function, in accordance with the law of the applicable signatory (including rules on conflict of laws), but shall not be liable for any torts occurring in the performance of a governmental function. The exclusive remedy for such breach of contracts and torts for which the Authority shall be liable, as herein provided, shall be by suit against the Authority. Nothing contained in this Title shall be construed as a waiver by the District of Columbia, Maryland, Virginia and the counties and cities within the Zone of any immunity from suit.

Jurisdiction of courts

81. The United States District Courts shall have original jurisdiction, concurrent with the Courts of Maryland and Virginia, of all actions brought by or against the Authority and to enforce subpoenas issued under this Title. Any such action initiated in a State Court shall be removable to the appropriate United States District Court in the manner provided by Act of June 25, 1948, as amended (28 U.S.C. 1446).

Condemnation

82. (a) The Authority shall have the power to acquire by condemnation, whenever in its opinion it is necessary or advantageous to the Authority to do so, any real or personal property, or any interest therein, necessary or useful for the transit system authorized herein, except property owned by the United States, by a signatory, or any political subdivision thereof, or by a private transit company.

(b) Proceedings for the condemnation of property in the District of Columbia shall be instituted and maintained under the Act of December 23, 1963 (77 Stat. 577–581, D. C. Code 1961, Supp. IV, Sections 1351–1368). Proceedings for the condemnation of property located elsewhere within the Zone shall be instituted and maintained, if applicable, pursuant to the provisions of the Act of August 1, 1888, as amended (25 Stat. 357, 40 U.S.C. 257) and the Act of June 25, 1948 (62 Stat. 935 and 937, 28 U.S.C. 1358 and 1403) or any other applicable Act; provided, however, that if there is no applicable Federal law, condemnation proceedings shall be in accordance with the provisions of the State law of the signatory in which the property is located governing condemnation by the highway agency of such state. Whenever the words "real property," "realty," "land," "easement," "right-of-way," or words of similar meaning are used in any applicable federal or state law relating to procedure, jurisdiction and venue, they shall be deemed, for the purposes of this Title, to include any personal property authorized to be acquired hereunder.

(c) Any award or compensation for the taking of property pursuant to this Title shall be paid by the Authority, and none of the signatory parties nor any other agency, instrumentality or political subdivision thereof shall be liable for such award or compensation.

Enlargement and withdrawal; duration

83. (a) When advised in writing by the Northern Virginia Transportation Commission or the Washington Suburban Transit Commission that the geographical area embraced therein has been enlarged, the Board, upon such terms and conditions as it may deem appropriate, shall by resolutions enlarge the Zone to embrace the additional area.

(b) The duration of this Title shall be perpetual but any signatory thereto may withdraw therefrom upon two years' written notice to the Board.

(c) The withdrawal of any signatory shall not relieve such signatory, any transportation district, county or city or other political subdivision thereof from any obligation to the Authority, or inuring to the benefit of the Authority, created by contract or otherwise.

Amendments and supplements

84. Amendments and supplements to this Title to implement the purposes thereof may be adopted by legislative action of any of the signatory parties concurred in by all of the others.

Construction and severability

85. The provisions of this Title and of the agreements thereunder shall be severable and if any phrase, clause, sentence or provision of this Title or any such agreement is declared to be unconstitutional or the applicability thereof to any signatory party, political subdivision or agency thereof is held invalid, the constitutionality of the remainder of this Title or any such agreement and the applicability thereof to any other signatory party, political subdivision or agency thereof or circumstance shall not be affected thereby. It is the legislative intent that the provisions of this Title be reasonably and liberally construed.

Effective date; execution

86. This Title shall be adopted by the signatories in the manner provided by law therefor and shall be signed and sealed in four duplicate original copies. One such copy shall be filed with the Secretary of State of each of the signatory parties or in accordance with laws of the State in which the filing is made, and one copy shall be filed and retained in the archives of the Authority upon its organization. This Title shall become effective ninety days after the enactment of concurring legislation by or on behalf of the District of Columbia, Maryland and Virginia and consent thereto by the Congress and all other acts or actions have been taken, including the signing and execution of the Title by the Governors of Maryland and Virginia and the Commissioners of the District of Columbia.

SEC. 2. The Commissioners of the District of Columbia are authorized and directed to enter into and execute an amendment to

the Compact substantially as set forth above with the States of Virginia and Maryland and are further authorized and directed to carry out and effectuate the terms and provisions of said Title III, and there are hereby authorized to be appropriated out of District of Columbia funds such amounts as are necessary to carry out the obligations of the District of Columbia in accordance with the terms of the said Title III.

SEC. 3. (a) To assure uninterrupted progress in the development of the facilities authorized by the National Capital Transportation Act of 1965, the transfer of the functions and duties of the National Capital Transportation Agency (herein referred to as the Agency) to the Washington Metropolitan Area Transit Authority (herein referred to as the Authority) as required by section 301(b) of the National Capital Transportation Act of 1960 shall take place on September 30, 1967.

(b) Upon the effective date of the transfer of functions and duties authorized by subsection (a) of this section, the President is authorized to transfer to the Authority such real and personal property, studies, reports, records, and other assets and liabilities as are appropriate in order that the Authority may assume the functions and duties of the Agency and, further, the President shall make provision for the transfer to the Authority of the unexpended balance of the appropriations, and of other funds, of the Agency for use by the Authority but such unexpended balances so transferred shall be used only for the purpose for which such appropriations were originally made. Subsequent to said effective date, there is authorized to be appropriated to the Department of Housing and Urban Development, for payment to the Authority, any unappropriated portion of the authorization specified in section 5(a)(1) of the National Capital Transportation Act of 1965. There is also authorized to be appropriated to the District of Columbia out of the general fund of the District of Columbia, for payment to the Authority, any unappropriated portion of the authorization specified in section 5(a)(2) of such Act. Any such appropriations shall be used only for the purposes for which such authorizations were originally made.

(c) Pending the assumption by the Authority of the functions and duties of the Agency, the Agency is authorized and directed, in the manner herein set forth, fully to cooperate with and assist the Authority, the Northern Virginia Transportation Commission and the Washington Suburban Transit Commission in the development of plans for the extensions, new lines and related facilities required to expand the basic system authorized by the National Capital Transportation Act of 1965 into a regional system, but, pending such transfer of functions and duties, nothing in this Act shall be construed to impair the performance by the Agency of the functions and duties imposed by the National Capital Transportation Act of 1965.

(d) In order to provide the cooperation and assistance specified in subsection (c) of this section, the Agency is authorized to perform, on a reimbursible basis, planning, engineering and such other services for the Authority, as the Authority may request, or to obtain such services by contract, but all such assistance and services shall be rendered in accordance with policy determinations made by the Authority and shall be advisory only.

(e) Amounts received by the Agency from the Authority as provided in subsection (d) of this section shall be available for expenditure by the Agency in performing services for the Authority.

SEC. 4. The United States District Courts shall have original jurisdiction, concurrent with the Courts of Maryland and Virginia, of all actions brought by or against the Authority and to enforce subpoenas issued pursuant to the provisions of Title III. Any such action initiated in a State court shall be removable to the appropriate United States District Court in the manner provided by the Act of June 25, 1948, as amended (28 U.S.C. 1446).

SEC. 5. (a) All laws or parts of laws of the United States and of the District of Columbia inconsistent with the provisions of Title III of this Act are hereby amended for the purpose of this Act to the extent necessary to eliminate such inconsistencies and to carry out the provisions of this Act and Title III and all laws or parts of laws and all reorganization plans of the United States are hereby amended and made applicable for the purpose of this Act to the extent necessary to carry out the provisions of this Act and Title III.

(b) Section 202 of the National Capital Transportation Act of 1960 (Public Law 86–669, 74 Stat. 537), as amended by Section 7 of the National Capital Transportation Act of 1965 (Public Law 89–173, 79 Stat. 666) is hereby repealed.

SEC. 6. (a) The right to alter, amend or repeal this Act is hereby expressly reserved.

(b) The Authority shall submit to Congress and the President copies of all annual and special reports made to the Governors, the Commissioners of the District of Columbia and/or the legislatures of the compacting States.

(c) The President and the Congress or any committee thereof shall have the right to require the disclosure and furnishing of such information by the Authority as they may deem appropriate. Further, the President and Congress or any of its committees shall have access to all books, records and papers of the Authority as well as the right of inspection of any facility used, owned, leased, regulated or under the control of said Authority.

(d) In carrying out the audits provided for in paragraph 70(b) of the Compact the representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Board and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, agents, and custodians.

Mr. TYDINGS. Mr. President, the two amendments are technical in nature, permitting the General Accounting Office to have the necessary tools they need to administer and review the books of the new Transit Compact Authority. The amendments were adopted by the subcommittee in the House of Representatives, and by our subcommittee.

Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

Mr. TYDINGS. Mr. President, the need for the regional mass transit system which this compact will create has reached the critical point. The dynamic rate of growth in the suburbs makes the National Capital region one of the fastest growing metropolitan areas of the country and the consequential elevating rate of commutation between the suburbs and the central city makes the regional transit system a matter of urgent need. The President's message transmitting the proposed legislation states the matter succinctly:

In 1950, nearly three-quarters of the area residents lived within the boundaries of the District of Columbia. By 1970, however, that situation will be almost totally reversed. At that time, there will be an estimated 1,688,000 citizens living in our Maryland and Virginia suburbs—67 percent of the area's swelling population. Even today, this shifting population is creating massive traffic problems, with more than a million automobiles entering and leaving our city every 24 hours. Even with a full mass transit system—on a regional basis—that figure is expected to double by 1985. Without such a system, a complete breakdown in area transportation would be only a matter of time.

The compact has several important advantages not available through a Federal or District of Columbia corporation, in addition to the time advantage in developing the regional system:

First. The compact assures equitable participation by the local political subdivisions in Maryland and Virginia in financing a regional system, thus reducing the burden the Federal Government and the District of Columbia would incur under a corporate arrangement.

Second. By virtue of the composition of the board of directors of the authority, the compact provides the fullest degree of political responsibility and responsiveness and affords maximum assurance that the plans of the local authority will be coordinated and consistent with the general and local plans of all the planning agencies in the zone and the work of the Transportation Planning Board, which is the organization created in the region to carry out the continuous comprehensive transportation planning process required by the Federal highway acts.

Third. The compact effectively insulates the Federal Government from direct involvement in the operations of an urban transit system and the labor and public relations problems resulting from a proprietary position. Conversely, the compact relies on local initiative for the handling of a local problem.

Fourth. The compact provides a mechanism for coordinating the operation of the rail transit facilities with the operations of the privately owned bus companies.

The approval of the compact, while imposing no additional obligations or commitments upon either the Federal Government or the District of Columbia, would broaden the choices available to the Congress for development and financing of a regional transit system. Without the compact, the creation of a Federal corporate entity is the only means to complete the basic system and to develop the regional system. The approval of the compact at this session, however, would create an option, which the Congress does not now have, for the financing of the basic system and for the development and financing of the regional system by an interstate instrumentality under a plan providing for the equitable sharing between the Federal, District of Columbia and local governments of the costs of the transit system which cannot be supported by the fare box.

Mr. President, the distinguished Senator from Mississippi [Mr. EASTLAND], chairman of the Judiciary Committee, after the distinguished Senator from Virginia [Mr. ROBERTSON] had introduced a compact in the Senate, appointed a special subcommittee of the Judiciary Committee composed of myself as chairman, the distinguished Senator from Nebraska [Mr. HRUSKA], and the distinguished Senator from Massachusetts [Mr. KENNEDY], to hold hearings.

The House of Representatives has already had 3 weeks of hearings on the transit compact. Ordinarily, the Senate Judiciary Committee does not have a hearing on a compact if the House has a lengthy hearing.

However, in this instance, we decided that we would have a hearing to make absolutely certain that all points of interest and all shades of opinion would be reflected.

The Senator from Nebraska [Mr. HRUSKA] and I studied the House transcript of the testimony, and invited all witnesses who were opposed to the compact, as well as the proponents, to come to the Senate hearing, which was held last Monday.

The subcommittee was unanimous in its recommendation. The Committee on the Judiciary was also unanimous in its recommendation of the bill, and I hope the Senate will speedily pass this legislation.

Mr. BYRD of Virginia. Mr. President, I have discussed the proposed legislation with the majority leader, the senior Senator from Montana, the minority leader, the Senator from Illinois, and with many other Senators.

The legislation is vital to northern Virginia. It is also vital to the adjoining State of Maryland, as the able Senator from Maryland [Mr. TYDINGS] has just pointed out.

I believe that each of the 2½ million citizens of the National Capital metropolitan area would testify as to the urgent need for a rapid mass transit system to serve the region.

Seven hundred and fifty thousand of these people—potential users of the system—live in Virginia. Representing them, and the State of Virginia, I am a sponsor of Senate bill 3488, now pending before the Senate.

The bill would grant congressional consent for the States of Virginia and Maryland, and the District of Columbia, to enter into a compact establishing an area mass transit system, and create a regional instrumentality to plan, develop, finance, and provide for its operation.

Virginia and Maryland have already ratified the compact. This bill would bring the District of Columbia into it.

In Virginia, we are vitally conscious of the problems and needs resulting from the tremendous development in northern Virginia communities which have geographical and other interests common to all parts of the Washington metropolitan area.

Transportation is one of these ties, and it is high on the critical list incident to the rapid growth on the Virginia side of the Potomac and its relationships with the District of Columbia.

The number of vehicles crossing the river is comparable to the number crossing the Hudson River between New Jersey and Manhattan Island. There were approximately 400,000 crossings each day last year—1965.

The 1965 total was 33 percent greater than in 1963. The population on the Virginia side of the Potomac—as in the Maryland suburbs of Washington—is expected to increase 66 percent in the next 10 years.

A start on the regional transit system is overdue. It should be made today. The planning has been done. The preliminary legislation has been passed by Congress and both of the States involved.

I hope that the pending bill will pass today. If Congress should fail to pass this legislation at this session, it will have to go back through the State legislatures. This would delay completion 2 years.

Mr. President, I hope that the Senate will act immediately on this vitally needed legislation.

Mr. ROBERTSON. Mr. President, completion of action on the pending bill will bring to fruition a program which I helped initiate more than a decade ago.

I believe it was in 1954, just before a closing session late at night, that I stood on the floor of the Senate until 4 o'clock in the morning to complete action on a bill which would authorize the appointment of a joint transit commission of Virginia, Maryland, and the District of Columbia, to study these problems and to make recommendations for an adequate transit system.

When I was in the House, I lived for a time in Alexandria. I knew that we had a traffic problem then. During the past 20 years it has become acute.

The Senate now has before it a problem, the solution of which is being sought in a practical way.

The pending bill does not commit the Government to any specific appropriation. That may be necessary later. The States of Maryland and Virginia have spent a great deal of money on highways. We are still working on extending the lanes of the Shirley Highway, costing Virginia large sums of money, just to accommodate many who go between Virginia and the District of Columbia. So this bill will give to the District of Columbia, with the consent of Congress, which governs the District of Columbia, authority to proceed with the development of a properly considered transit system. Maryland and Virginia have already acted.

I commend the Senator from Maryland [Mr. TYDINGS], both as a sponsor of the measure and for his skillful consideration of the bill in committee. I commend also my junior colleague, the gentleman from Virginia [Mr. BYRD] for the interest he has shown and the active part he has taken in this matter.

Mr. TYDINGS. I thank the Senator from Virginia. I may say that the Senator from Virginia has always been an advocate of balanced transportation planning in the Maryland-Virginia-District of Columbia area.

He is the author of the compact. He has been active in moving toward the enactment of the legislation before us today. The residents of Prince Georges and Montgomery Counties in the metropolitan area of Washington, which today number 1 million citizens, and which in another 10 years will probably number 1½ million, are indebted to the work of the Senator from Virginia, which goes back to 1954 when he introduced legislation for creating a Joint Transportation Commission to study Washington area passenger carrier facilities and services.

In 1955, in the 84th Congress, he introduced a measure authorizing the National Capital Park Commission and the National Capital Regional Planning Commission to survey "present and future mass transportation needs of the National Capital region."

In 1957, in the 85th Congress, he introduced a measure creating the Joint Commission on Washington Metropolitan Problems.

In 1959, when the mass transportation survey report was presented to the President, the Senator from Virginia was in the forefront.

He was in the forefront again in 1960 when a recommendation embodied in the Washington metropolitan transit regulation compact was adopted.

Again in 1965, when the National Capital Transportation Act of 1965, which is the basis for the system which was adopted, was adopted, the Senator from Virginia [Mr. ROBERTSON] was the inspiration for all who are interested in this vital field, which is so important to the people who live in the metropolitan area of Prince Georges and Montgomery Counties in my State, as well as those in Virginia.

I personally thank the distinguished Senator from Virginia on behalf of myself and my colleague [Mr. BREWSTER] and the residents of Prince Georges and Montgomery Counties.

Mr. ROBERTSON. I want to express my grateful appreciation for the kind remarks made about me by the Senator from Maryland. Since my service in Congress, my interest in highway matters has taken a good part of my time. This may be my last legislative action in Congress with respect to highways. My interest in this subject has covered a period of 50 years.

In 1916 Congress passed a bill to aid States with their State highway systems. In 1916 I was a member of the State senate in Virginia, and, together with my deskmate, Harry F. Byrd, Sr., introduced a resolution which provided for the participation by the State with the Federal Government in a program for a highway system. That was 50 years ago.

My deskmate, Harry F. Byrd, Sr., and I were on a commission to lay out the highway system. We are the only two Members living who served on that commission. That system was adopted exactly as we recommended it.

Then we were copatrons of a bill to establish a State highway system. We did not have one at that time. Then we looked around for a head of that commission, trying to find a man who could do a good job. We got a man who had gone to VMI, but who was in Maryland,

and whose name was Shirley. We gave Mr. Shirley an opportunity to be a real roadbuilder.

Then in 1924 we had before us the issue of whether we should build roads by bond issues or on a pay-as-you-go basis. Harry F. Byrd, Sr., led the fight for the latter. I was with him in that fight. We convinced the people of Virginia. We put in a highway system comprised of 45,000 miles. We have a highway system second to no State's. We have included rural roads. They are now improved by State agencies and not by the supervisors.

So since 1916, when I was elected to the State legislature, for 50 years I have been interested in good roads. I am glad that in perhaps my last legislative action that relates to roads it will result in the continuation of the development of a transit system for the Nation's Capital and the surrounding areas of Virginia and Maryland in trying to meet the needs of new generations who will be coming to Washington.

Mr. BREWSTER. Mr. President, today we are considering S. 3488, a bill which would authorize the District of Columbia to cooperate with the States of Maryland and Virginia in creating a Washington Metropolitan Area Transit Authority.

This legislation was favorably reported yesterday by the Senate Judiciary Committee which held hearings on it last week.

A portion of this legislation is before Congress because Washington—without home rule—must rely on us to act as its town council. The second purpose of this bill is to grant congressional consent to the interstate compact which is required by the Constitution. Another purpose is to transfer authority for the mass transit system from a Federal agency—the National Capital Transportation Agency—to a local one—the Transit Authority.

President Johnson, in his letter of June 9, 1966, to the Senate and House, pointed to the principal issue, and I quote:

> The economic well-being of this region—and the efficient functioning of the Government itself—depend more and more each year on adequate mass transportation facilities. No system of freeways, no matter how extensive or well planned, can suffice much longer.

I believe it is significant that this legislation is cosponsored by all four Senators who represent portions of the Washington metropolitan area.

This legislation is clearly recognized to be an essential step toward the development of a balanced transportation network for the National Capital region.

I urge my Senate colleagues to support this measure.

The PRESIDING OFFICER. The bill is open to further amendment. There being no further amendment proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. YARBOROUGH. I ask unanimous consent that the Secretary of the Senate be authorized in the engrossment of S. 3488 "to grant the consent of Congress for the States of Virginia and Maryland and the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact to establish an organization empowered to provide transit facilities in the National Capital region and for other purposes and to enact said amendment for the District of Columbia", to make corrections of any technical and clerical errors.

JOHNSON AT MIDTERM

Mr. MANSFIELD. Mr. President, as November approaches, the Nation will be subject to an increasing flow of words on the issues of the coming elections and the performance of the Johnson administration and the congressional majority during the past 2 years. On the basis of experience, it is to be anticipated that much of the commentary will blame the President and his party for everything that may be wrong and credit them with little, if anything, that may be right. In this connection, the late John F. Kennedy made a wise and accurate observation at one of his news conferences in 1963. He stated:

> When the stock market goes down, letters are addressed to the White House. When it goes up, we get comparatively few letters of appreciation . . .

There is likely to be a variety of contexts in which the wit of this understatement will be applicable during the coming election campaign. To put it bluntly, there will be plenty of brickbats but few bouquets for President Johnson or Democrats in general for the next few weeks. The great range of constructive domestic measures which have been achieved during the past 2 years and which are of immense and lasting value to the Nation, will be minimized or overlooked entirely. The successful effort, in short, to get this country moving again and to keep it moving which began under President Kennedy and received added impetus under President Johnson may well be drowned out in the din of the impending election.

Since that is the expectation, I am delighted to have discovered an article which is as thorough in its analysis of the possibilities and limitations of Presidential leadership as it is objective in its evaluation of the leadership of Lyndon B. Johnson as President during the first 2 years of his administration. I refer to a most perceptive study by Saville P. Davis, entitled "Johnson at Midterm," which appeared in the Christian Science Monitor of August 19.

Mr. Davis treats Mr. Johnson not only as an individual with his own set of human characteristics, but also as the vortex in a vast spinning of national interests. It is the blend of the two factors which Mr. Davis believes produces the uniqueness of a Presidency and the character of an administration. In the case of the Johnson administration, the hallmark appears to be an effective combination of new initiatives for domestic progress and conservative restraints, particularly fiscal, in the pursuit thereof.

The Davis article acts as a pointed reminder of the responsibilities which we vest in a President who serves us all, Republicans and Democrats alike; it indicates how much we expect of him and extract from him in the way of personal sacrifice and dedication. That is a timely reminder, as the temperature of the political waters begins to rise with the approach of the November elections.

It is easy enough to criticize an incumbent President and his administration. Indeed, to do so, becomes almost a national pastime in an election year. Therefore, it is reassuring to discover in this article a balanced perspective in which that criticism can be weighed.

Mr. President, I ask unanimous consent that the article previously mentioned be included at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Aug. 19, 1966]

JOHNSON AT MIDTERM

(By Saville R. Davis)

WASHINGTON.—To appraise President Johnson as he approaches midterm it is necessary to look at two men.

There is a very human personality in the White House whose style has had great influence over the conduct of public business. Being Lyndon B. Johnson, he is a peculiarly forceful, colorful, and controversial figure.

There is also an awesome figure called the President of the United States in the White House. He is the servant of a tremendously powerful complex of forces called the national interest. He can change them to some degree. But they exist independent of him. They bear down with immense weight on every big decision he makes.

These are not two separate men. They are two components of the presidency. Both are becoming tangled in stubborn problems as the November voting comes near. The clear track of Mr. Johnson's first year as elected President has turned into an obstacle course in the search for votes.

The public hears much about Mr. Johnson's personality as the heat begins to rise for the fall congressional elections campaign. It hears less about the man who is shaped by the political forces, foreign and domestic, of the United States of America.

It would be foolhardy for anyone in Washington to say that the personality of Mr. Johnson does not influence the presidency. It greatly does. He holds vast personal power under the American system as it operates today, especially in wartime.

His desires and quirks, his background in Texas and the Senate, his habits of thinking and action, the way he deals with other people, the traits that cause men and women to be drawn to him or not to be—all these affect what the President of the United States does and how it is received.

So does Mr. Johnson's chosen role as politician, as head of a political party wielding great political power and hoping to do so after November. Democrats incline to put votes and election first, as a means to the end of governing and deciding on the issues. (Republicans often work the other way around.)

So, also, do Mr. Johnson's personal convictions on the great issues of the day give shape to his presidency. Mr. Johnson is an elusive mixture of the political left (civil rights, poverty, allegiance to labor and cities, medicare, etc.) and moderate conservative

(federal budget balance, concern for the profit system, Vietnam).

In such respects, the LBJ brand marks the presidency. He enjoys personal power and wields it vigorously.

WALLS STANDING ALL AROUND

It is less understood that the President—as president—is half a prisoner. The limits of his official power are like walls standing around him.

Some, like the nuclear strength of the Soviet Union, are inexorable. Others, like a strong party allegiance to labor or industry in an election year, are what a President makes of them. If he is a great president, intent on leadership, he can break out of them.

His narrowest limits are apt to be in foreign policy. His broadest options are domestic. But the penalties of remaining prisoner, and the rewards of breaking free and leading into new policies, are great in both fields.

Mr. Johnson, man and President, now is in a period of squeeze when his limits look larger than his opportunities.

His first big legislative successes are behind him. He now is deeply embroiled in the intricate business of enforcing them which turns faction against faction.

This places him awkwardly between the civil-rights forces and the general public; between the poor and a society structured for the well-to-do; between spending for the Great Society and spending for the war; between labor and the passengers of the airlines.

His two greatest dilemmas—inflation and Vietnam—are conspicuously unsolved. There is no stroke of genius yet in sight which would bail him out of the one or the other.

There is no dazzling momentum. Progress, where there is progress, moves more slowly toward more limited objectives.

YOUNG DEMOCRATS HEARD

There is also the peril that afflicts any president at midterm. The Young Democrats he swept into Congress in 1964 are facing a variety of local discontents, and some national, in their campaigns for reelection.

Statistics—a cold and remorseless opponent—says there is always a larger slump in the President's power in Congress when there was a big sweep in the year of his own election. If every political asset is not carefully nourished between now and November, Mr. Johnson could face the next two years as Samson shorn of his locks.

So a politically inspired pause hangs in the limp summer air. Programs and decisions are left dangling until after the voting.

Another fury of argument consequently breaks out:

Are the Democrats right or wrong to act politically, bending national issues to the needs of being reelected?

Which is more important: Decisions on national issues today or the power to make decisions tomorrow?

And what of Republicans:

Are they right or wrong to act less politically, and on their special interests in issues that are less "popular" like cutting federal spending, disciplining the economy, etc.—making it harder to win elections and govern the country as they would want to have it governed?

POLITICAL PAUSE IN EFFECT

At all events the political pause is in effect.

Months have passed since the bulk of economists called for a tax increase, to blunt the inflation by smaller measures, well in advance, instead of desperate measures when it is late. The White House decision is still postponed.

The wage-and-price guideposts, another anti-inflation measure, were allowed to collapse without a plan to revise or supplant them in readiness. Most any such plan would endanger laborite or moderately conservative voters, or both.

The airline strike was handled with asbestos gloves for obvious reasons. The President gave a favorable offer to labor in wages which he then sought to withhold from Big Steel in prices. The airlines could afford it and steel could not.

There was an Alphonse and Gaston act between Mr. Johnson and his Congress, each seeking to avoid the penalty for cracking down on labor, or arbitrating the relations of labor and industry, in order to get the airlines going.

Mr. Johnson abandoned his plan for a new law on strikes against the public interest. He doubtless will return to it after the voting. He had not given organized labor much of a break in his administration up to now and seemed to be trying to redeem himself.

An even more serious conflict is boiling up in the political volcano of federal spending. When the year 1966 opened, and the President made his command decision, he thought the country could both afford the Great Society and the Vietnam war—for a year at least. Was this a political decision or an economic?

BUDGET BALANCING PERILED

In any event, war spending is shooting up. The large and increasing forces in Vietnam have finished living off the military hump and are living on dollars from the Treasury. To meet this, the President has cut back domestic spending more than is recognized. And he is watching the flood of tax revenues at home continue to pour a bonanza into the Treasury.

The possibility mounts that his strongly conservative record in nearly balancing the federal budget—which is much better to date than that of President Eisenhower who had no war—is about to be shattered. A big "supplemental" is expected to hit Congress, after the voting. So will the issue of social spending in wartime—after November.

Are these contradictions, closing in on the President, of his own making or are they forces beyond his control, limiting his power? The answer appears to be partisan.

PRESSURE FROM ABROAD

In any event, if the President makes these decisions before November he risks antagonizing the side he decides against.

If he ducks the decisions, he risks annoying the general public because of his failure to act.

Abroad, the one overriding issue is a nightmare to a president who feels trapped and is groping for a way out. Policy on Vietnam is surrounded by fearsome limits, from his point of view.

On one side stands the Kremlin. If convinced that the United States was headed for a showdown in the style of a Western movie—it's me or you—the Soviet Union might strike first.

On the other side the far right wants precisely that kind of a showdown. It thinks the men of the Kremlin would back down and leave the field to the United States.

The President is somewhat precariously operating on the ground in between.

Or is he? Turn the coin over to the other side. There is a strong advantage for the President, confirmed by the opinion polls, from standing on the broad middle ground of American judgment on the Vietnam war.

"Surrender to left of him, world war to right of him," where else but ahead can the United States go? There is no widely acceptable alternative except perhaps one: to attempt a military slowdown which the generals do not know how to administer, in an attempt to soften the Communists who show no sign of softening short of American withdrawal.

Is it an alternative? Right now, only a fairly small minority thinks so—enough to turn against the President.

Mr. Johnson is actually building political strength into his policy on Vietnam.

He spent months preparing his latest big step, the oil bombing in the north. When it came this was a popular move. Many had been for it. Many others, who had opposed it or been doubtful, now had become resigned after the long, indecisive debate. Or they were willing to let the President try it out.

IMPORT OF ONE DECISION

His popularity at once rallied. It is still going up.

It may turn out that this one decision has largely taken Vietnam out of politics during the fall campaign. Or even turned it to the President's positive advantage.

Some say Vietnam is no longer the No. 1 issue, having been replaced by the No. 2 issue, inflation.

That coin turns over, too. The other side of inflation is prosperity, which now is bursting all precedents and bounds. It piled an additional amount, up on top of the national income last year, that nearly equaled the whole of the national expense for war and defense.

Which is more important to the voters: a still mild price inflation or massive, still spreading prosperity?

As for the hardy perennial, spending by the federal government, where will this year's argument come out? The issue was shaping up clearly as the year began: Could the United States afford both war and Great Society too?

As the year progressed the war was costing much more, but the President cut back on domestic spending and the economy continued to pour taxes into the Treasury in an increasing flood.

The President can argue—and his critics can dispute—that there was no clear case for cutting domestic programs more than he already did, this year. And that next year, as he has often said, if the war continues Congress will be asked for more money—and doubtless more taxes too. The issue of how much domestic expense the country can afford in wartime would come to a head then—after November.

LONG LIST OF ASSETS

The President has a long list of assets similar to these on his side of the ledger, to offset against the debits that have piled up in this year of slow motion and deepening complexity. He often recites them to visitors.

The war between Pakistan and India was stopped, by the President's abrupt cutoff of supplies as well as by India's comparative victory in the field.

The promised free elections came off well in the Dominican Republic.

NATO has been restructured without French President de Gaulle and without serious damage.

The muscling of Peking into South Asia and Africa was dramatically reversed. Peking was muscled out.

A new respect for incentive and private capital in the underdeveloped world, induced by the Johnson administration, has started the foreign aid program on a new and promising tack.

A new respect, also, for national independence and self-reliance has been building up in the in-between world. This was able to happen, so the President and his supporters are convinced, precisely because the United States is holding the line in Vietnam and protecting them all.

Large numbers of national leaders who exalt neutralism in public and criticize the American stand in Vietnam are privately and frankly grateful that the United States is

standing across the path of Communist expansion.

Without American power as a counterpoise to that of Communist China, they quietly acknowledge that their hopes for independence would glimmer.

These successes are sometimes controversial, but they make the American world position stronger and more popular than it seems on the surface.

On the domestic front, this is a stronger legislative year, or is likely to be at the close, than most people recognize. Water pollution, demonstration cities, minimum wage, unemployment compensation, auto safety, civil rights, truth in packaging, aid to education—these and others are moving toward the period of crunch when Congress votes and disposes in a hurry. A tidy record is in the making.

ELECTION FACTOR

Given such assets, is Mr. Johnson really in a slowdown? Why isn't he in a very strong basic position despite the current doubts and unsolved problems?

He probably is. But his basic assets cannot easily be turned into cash at the moment. The history of the next two years in the United States turns very precisely on whether Lyndon Johnson gets another working majority in Congress in the fall voting.

As everyone knows, local elections in an off year are not necessarily responsive to the President's basic strength. They could be—but only if the present confusions over Vietnam and inflation respond to a positive force and are not merely complex dilemmas in the voters' minds.

Any president would hesitate, as Mr. Johnson has done, between making decisions that would offend groups of voters who might turn the margin of victory against him, and postponing decisions in the hope that the general public would not become too annoyed.

The great question remains open, therefore: What if anything will President Johnson do between now and November to galvanize his situation? Or will he coast into November, avoiding as many controversial decisions as he can?

Johnson the man and Johnson the President are intricately joined in the decision. The man normally prefers action, dazzling and unexpected if possible, exerting leadership and keeping his opponents off balance. The President knows that this is a moment when politics will determine national policy—whether Congress is with him or able to block him next year.

There are signs that the President may make the American people more conscious of war, albeit limited war, and demand sacrifices. This is one possible way out. There are not many days left for the President to show his hand.

NEWSPAPER INFLUENCE ON PRESIDENTIAL POLICY

Mr. FULBRIGHT. Mr. President, a few days ago I stated on the floor of the Senate that the local newspapers, the Post and the Star, had distorted certain remarks I had made because of "their eagerness to please the administration."

On Wednesday, August 24, the Washington Post took issue with my statement in an editorial which reads, in part, as follows:

We support the President's policy on Vietman, not "to please the administration" but but because we deeply believe it is the right policy in the face of the Communist challenge.

The Washington Post for today, August 25, contains the interesting announcement that President Johnson has just named as Ambassador to Switzerland Mr. John Hayes, chairman of the executive committe and executive vice president of the Washington Post Co. and president of the Post-Newsweek television and radio stations. This enormous and complex and fabulously rich empire obviously has great influence not only in Washington, but throughout the Nation, as well.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the two editorials and the article announcing the appointment of Mr. Hayes.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

MR. FULBRIGHT'S LANCE

Chairman FULBRIGHT of the Senate Foreign Relations Committee accuses this newspaper of having distorted his remarks about congressional support for the war in Vietnam out of "eagerness to please the Administration." In an editorial last week we had commented Mr. FULBRIGHT, who has been a principal critic of Administration policy in Vietnam, for in effect warning Peking and Hanoi not to underrate the amount of backing for the President's position. We expressed the opinion that this had helped atone for the mischievous effects of some of his past remarks. But in no way did we indicate that Senator FULBRIGHT had abandoned his own disagreement with the Administration; nor did we question his motives. Let him not cast aspersion on ours. We support the President's policy on Vietnam, not "to please the Administration," but because we deeply believe it is the right policy in the face of the Communist challenge.

THE NEW AMBASSADOR

This newspaper is honored by the President's selection of John S. Hayes, president of *Post-Newsweek* Stations and an executive vice president of *The Washington Post Company*, as the new American Ambassador to Switzerland. *We shall have more to say later about Mr. Hayes' broad record of public service.*

This nomination follows Mr. Johnson's appointment of four other capable new envoys—Glenn W. Ferguson as Ambassador to Kenya; Carol C. Laise as Ambassador to Nepal; Leo G. Cyr as Ambassador to Rwanda; and John M. McSweeney as Minister to Bulgaria. Two of these latter nominations are of special note. Mr. Ferguson's sensitivity as director of the Vista poverty program and his prior overseas service as a Peace Corps executive qualify him well to succeed the unusually successful William Atwood in the challenging assignment in Nairobi. Miss Laise is widely admired for her intelligent State Department work in South Asian affairs, and it is refreshing to have this additional recognition for a woman career Foreign Service officer.

The President has chosen well. We trust that he will be equally fortunate in his choices for existing and forthcoming high-level vacancies in the State Department.

WTOP'S JOHN HAYES NAMED AMBASSADOR TO SWITZERLAND

President Johnson announced yesterday that he will nominate John S. Hayes, Washington broadcasting and newspaper executive, as ambassador to Switzerland.

Hayes, 56, is president of Post-Newsweek Stations—WTOP television and radio in Washington and WJXT-TV in Jacksonville, Fla.—and an executive vice president of the Washington Post Company.

President Johnson said at his news conference that he will nominate Hayes to succeed Ambassador W. True Davis.

Mr. Johnson also disclosed that he has made a tentative choice of a successor for Thomas W. Mann, former Under Secretary of State for Economic Affairs, but did not divulge the name. The appointment will be announced along with a successor for Deputy Under Secretary of State U. Alexis Johnson after Johnson is confirmed by the Senate as Ambassador to Japan.

At least one other expected vacancy at State is to be filled, the President indicated—apparently referring to the expected departure of Under Secretary George W. Ball. The appointments probably will be made this fall, he said.

Hayes has been with The Washington Post Company since 1948 and before that was with The New York Times Company. A graduate of the University of Pennsylvania, he joined the Army during World War II and served as commanding officer of the American Forces Network. For his wartime services, he was awarded the Order of the British Empire, the French Croix de Guerre and the Bronze Star of the United States.

Last year, Hayes was appointed to the new Commission on Educational Television of the Carnegie Corp. of New York, which will study non-commercial television, including community-owned channels and their services. In 1964, he was appointed chairman of the Committee on International Broadcasting of the National Association of Broadcasters.

Hayes has also been active in a number of civic and cultural activities.

A trustee of Washington's Federal City Council, a director of the National Symphony Orchestra Association and a former president of the United Community Funds and Councils of America, Inc., Hayes won the Washington Junior Chamber of Commerce's Washingtonian Award for public service in 1953.

WELCOME TO UNIQUE, OUTSTANDING PERFORMING ARTISTS: HERB ALPERT AND THE TIJUANA BRASS

Mr. KUCHEL. Mr. President, since early days of the motion picture, California has exercised a magnetic appeal for entertainers in veritably every specialty. As a consequence, intense interest among our people has been generated in varied lines of performing arts. It comes as no surprise that my native State now pridefully points to the achievements and popularity of a unique group of talented musicians, all citizens of this land and residents of southern California.

One of the most successful combinations of recording and performing artists in the world today is known in the entertainment and musical fields as Herb Alpert and the Tijuana Brass. In appearance and through reproductions, they have brought enjoyment to many millions of Americans and developed a very distinctive style of rendition which adds to the pleasure of listening to them. This team has contributed immeasurably to international understanding and promoted cordial relations with peoples around the globe.

The effectiveness of their communication in what long has been recognized as a universal language was manifested a year ago when citizens of Mexico presented Mr. Alpert and his associates with

a Good Neighbor Award. The citation saluted their influence in "fostering better understanding and friendship" between our two adjoining Republics. This recognition is symbolic, for the albums and recordings of this musical group are heard throughout the world and they soon embark on a foreign tour.

In a day when discordant sounds and irregular beats seemingly have provocation attraction for unknown numbers, it is rewarding that a southern California musical organization specializes in what may be called joyous music, accenting melody with humor and vigor and affection for life.

This group, outstanding in harmony in both a musical and a personal sense, is presently visiting our National Capital. I am confident it will have highly successful performances, and will bring much enjoyment to the residents of the area. I trust my colleagues will join in extending a warm welcome to Herb Alpert and his talented tunesters—Nick Ceroli, Bob Edmondson, Tonni Kalash, Lou Pagani, John Pisano, and Pat Senatore.

DISSENT IS SACRED, BUT SHUT UP

Mr. McGOVERN. Mr. President, this morning's Washington Post reports that the AFL–CIO Executive Council has in effect "advised critics of American policy in Vietnam to shut up."

According to the Post account the AFL–CIO Council passed a resolution yesterday claiming that "the right to dissent is sacred." But after this bold concession to democracy and freedom of expression, the resolution quickly denounced anyone who would put such a dangerous principle into practice.

Referring to those who have dared to exercise the "sacred" right of dissent, the Council gravely concluded that "disruption by even a well-meaning minority can only pollute and poison the bloodstream of our democracy."

I do not know the author of this amazing AFL–CIO document on freedom and patriotism, but it must have been the same poet who penned the lines:

Mother, may I go out to swim?
Yes, my darling daughter;
Hang your clothes on a hickory limb
And don't go near the water.

I ask unanimous consent to include the Post article at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFL–CIO ADVISES WAR CRITIC SILENCE

CHICAGO, August 24.—The AFL–CIO in effect today advised critics of American policy in Vietnam to shut up.

While claiming that "the right to dissent is sacred," a resolution approved by the federation's Executive Council at its quarterly meeting here insisted that "disruption by even a well-meaning minority can only pollute and poison the bloodstream of our democracy."

The strongly worded motion singled out the Soviet Union as the foremost villain in the Vietnamese fighting, claimed that the United States "isn't resorting to an escalation of the war," and accused the Communists of "the most savage ruthlessness and reckless bombings against civilians."

"Those who would deny our military forces unstinting support are, in effect, aiding the Communist enemy of our country—at the very moment when it is bearing the heaviest burdens in defense of world peace and freedom," it said.

Some officials of the AFL–CIO, who give qualified support to the Johnson Administration's policies in Southeast Asia, professed acute distress over what they claimed was the jingoistic and hawklike tone of the resolution.

But Walter P. Reuther, a bitter critic of the federation's stand on many international issues, joined in unanimous approval of the resolution after two minor word changes, according to federation sources.

Sources within the federation said Reuther gave grudging support to the Vietnam resolution after these changes were made:

"Russian, Chinese and North Vietnamese warlords" were changed to "Russian, Chinese and North Vietnamese governments." And the word "such" was deleted before the phrase "disruption by a well-meaning minority."

Mr. McGOVERN. Mr. President, two very distinguished columnists, Mr. Joseph Kraft, writing in the Washington Post of August 17, 1966, and Mr. Joseph C. Harsch, writing in the Christian Science Monitor of August 24, 1966, have concluded that dissent and debate on our Vietnam policy has either "gone out of vogue" or "is decisively ended."

There is doubtless considerable evidence to support the conclusion of these two highly competent columnists. I suspect that they deplore the turn of events that made these conclusions necessary. I believe, perhaps with a dash of wishful thinking, that Messrs. Kraft and Harsch are not entirely correct in noting the end of debate on our policy in Vietnam. We are on a highly dangerous and questionable course in southeast Asia. Men of good will and strong intellect can and do disagree on our present policy. The best hope for America's future lies in our courage to express clearly and honestly our respective views on issues vital to the Nation and to our position in the world.

For the sake of our sons and the future vitality and health of America, I hope that the free and honest discussion of policy in southeast Asia has not ended.

I ask unanimous consent that the columns by Mr. Kraft and Mr. Harsch be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Post, Aug. 17, 1966]

CRITIC'S CREDO

(By Joseph Kraft)

Criticism of the President's policy on Vietnam has suddenly gone out of vogue.

The Senate liberals who first forced the pace have plainly lost heart. They have ceased to tackle the Vietnamese question head-on. Instead, they are urging flanking techniques—whittling down the foreign aid program; diluting proposals for unemployment insurance and campaign financing; exposing the misery of the cities.

Even wtih the liberal Democrats subsiding, sharp criticism might be coming from the Republican side. The opposition, after all, has been handed a superb issue—the not untruthful charge that the Democratic Administration cannot make peace in Vietnam.

But no leading Republican has yet grasped the issue unambiguously. Many, like former Vice President Richard M. Nixon, keep throwing away the issue with new demands for escalation.

Thus the most the Republicans now contemplate is a move away from escalation toward more emphasis on negotiation and diplomacy. And even that move may be blocked by Mr. Nixon, not to mention the President's closest ally on the Hill, Sen. EVERETT M. DIRKSEN.

Inside the Administration itself, most of the principal officials have no stomach for the Vietnamese war. But few are in position to voice doubts, and most of those are now falling mute.

One, for instance, is resigning in large part because of a "sense of futility." Another is taking the view that the President has defined his position after considering all alternatives, and that he is now entitled to give his policy "a try."

For my own part, I cannot accept this fetching appeal for silence. It does not seem to me that the President has defended his position with any clarity. On the contrary, three quite different purposes are, in season and out, advanced to justify the American position in Vietnam.

Sometimes, as in the President's statement from the ranch last weekend, the purpose is to prevent communism from taking over South Vietnam. Sometimes it is to protect one state against the aggression of its neighbor. Sometimes it is to contain the spread of Chinese expansionism.

Because the political goals are so imprecise, special force attaches to military logic, which is nothing if not precise. Time after time, the President, finding himself under pressure to do something and not having any good political moves, has gone for the military proposal. It is in that way, not by any considered design, that the United States has come to put a quarter of a million men on the Asian mainland, and to bomb Vietnam on the scale of the World War II raids.

Not for the first time, however, following the military logic has yielded results sharply at odds with diplomatic purposes. In Saigon, there is now a corrupt, militaristic regime that serves as an irresistible target for the Communists. The North Vietnamese, as a direct result of the bombing, are now engaged far more than ever before in the war.

In Peking, where the real battle for a peaceful Asia is being fought, the hardline Maoists, reinforced, no doubt, by the tension generated in Vietnam, have won a new political victory.

Worse still, the military emphasis has made it easy for those who do not share any of the President's purposes to block developments that could be used to turn the situation around. Thus not many months ago, the opportunity offered by elections in South Vietnam was perverted by the crushing of non-Communist opposition to the regime. And not many days ago, the slim, dim chance offered by the projected visit of Ambassador Averell Harriman to Cambodia was, as William Touhy of the Los Angeles Times has shown, virtually kicked away.

Worse still, the policy now being followed had become truly perilous. For almost every day the danger of stepped-up intervention by China and by the Soviet Union becomes greater.

To me, anyhow, it does not make much sense in these circumstances to keep quiet and give the President a try.

[From the Christian Science Monitor, Aug. 24, 1966]

END OF THE DEBATE

(By Joseph C. Harsch)

WASHINGTON.—There has been no formal voting on the issue of the Vietnam war either in the home communities or in the Congress. Yet it is now perfectly clear in Washington

that the public debate over this issue is decisively ended.

The "hawks" have won out over the "doves"; the believers in "manifest destiny" have defeated those (the writer included) who questioned, and still doubt, the justification for the course which lies ahead.

It is not possible to date precisely when the decision became apparent. It happened because the leading political figures of both major parties are politicians highly tuned to the general will. There was a time earlier in the year when the outcome was in doubt. Of recent days it has become clear that the issue has been decided. The external evidence of the decision is that leading Republicans are still trying to lead the administration from the "hard," not from the "soft" side.

ELECTION AHEAD

All the way through the debate President Johnson kept the official position flexible enough so that he might have moved defensively either way. Had the Republicans shifted their own position for an attempt to outflank from the "dove" side, the President could have moved left to meet them.

Interestingly, only one important political figure did try the maneuver on the left—Sen. ROBERT KENNEDY of New York. But his purposes are long-range. The election coming in November does not concern him as much as the presidential elections coming in 1968—and perhaps even in 1972. For him, the winning formula in a future presidential campaign is vital. But to President Johnson and the Republican leaders of today, the vital thing is always the election just ahead.

The Republicans considered their position on the Vietnam war with utmost care. Had they concluded that more votes were to be had from an anti-"escalation" position, they would, of course, have moved in that direction. The evidence did not push them that way. On the contrary, they have "led" the President all along the pro-"escalation" road. They have acted as pathfinders or icebreakers for him.

LEFT POSITION

Leading Republicans advocated bombing North Vietnam long before the President issued the orders. The same applied to the decision to hit the oil refineries near Hanoi and Haiphong. Every step taken by the President toward harder war was prepared by Republican voices.

This means that in November the President and the Democrats are safe against Republican attack from the "hard" side. Democrats cannot be attacked for doing things which Republicans themselves were first to advocate. Democrats are equally safe from any Republican attack from the "dove" side. Republicans are so deeply and generally committed to the hard course now that it is too late for them to try to outflank from the left.

In practical political terms it means that the war issue has been neutralized for the November elections leaving the President and his party in a comfortably safe position on what might have been a nationally divisive issue.

In world terms it means that there can be no question whatever about the course Washington will pursue. No one with any factual knowledge of the American political scene can any longer believe that domestic political pressures can in any way change the Johnson policy on the war. The policy can only be one of steady increase of military pressure on the Viet Cong and on North Vietnam. The President has his "consensus."

Nothing is left of the "dove" side of the argument today except the fringe student demonstrations and the continued but muffled protests of academic intellectuals and congressional "liberals." All of this is now meaningless in terms of practical politics.

VOTES IN NOVEMBER

The episode of the public debate over Vietnam policy has established once again that the Republican and Democratic parties continue to be the vehicles of significant political action in the United States.

Had the Republicans decided to challenge the President from the left, then there would have been a change in the direction of national policy away from "escalation." The Republicans never challenged from the left. They chose to lead from the right on the assumption that the central mass of national opinion lay on that side. In terms of votes in November they were undoubtedly correct.

CONGRESSIONAL REORGANIZATION

Mr. CASE. Mr. President, as a member of the Joint Committee on the Organization of the Congress, it is with some reluctance that I express my deep regret over the action taken yesterday by the Committee on Rules and Administration.

The distinguished cochairman of the joint committee, Senator MONRONEY, had requested authority for the six Senate Members to constitute themselves as a special committee for the sole purpose of receiving and reporting to the Senate a bill incorporating the joint committee's recommendations.

This was precisely the procedure followed 20 years ago by the La Follette-Monroney committee in bringing to the Senate the recommendations that became the Legislative Reorganization Act of 1946.

Yesterday, the Rules Committee agreed to report a resolution to this effect, but with a telltale proviso that our special committee must first invite the chairmen and ranking minority members of all 17 Senate standing committees to give their views of the joint committee's recommendations.

This is an invitation to delay if I have ever seen one. It is a classic illustration of the tactics that have sapped public confidence in the ability of Congress to act, and serves only to confirm the view that inaction is a way of life on Capitol Hill.

Last year the joint committee took testimony from 200 witnesses, including Members of Congress whose collective service totals almost 1,000 years. From January through June of this year, the committee labored through many executive sessions before reaching agreement on the recommendtions contained in our final report, filed on July 28.

No single member of the committee, I venture to say, is completely satisfied with our report. I have expressed my own reservations, as have other members. Nor is it any secret that a number of our recommendations are opposed by Senators who are not members of the joint committee.

The fact remains that the committee has completed the assignment it was given 18 months ago by the Senate and the House, and there is no justification for further delay.

There is a simple and equitable way to resolve the issues presented by differences of opinion over the committee's recommendations. That is to bring the bill to the Senate floor, where it can be amended in whatever fashion a majority sees fit.

The legislative outlook at this time is none too encouraging, in any event. If congressional reorganization falls victim to a session-end logjam on the Senate floor, the Rules Committee's imposition of a requirement for further hearings may well be held accountable—and rightly so.

SCHOOL MILK PROGRAM SHOULD HAVE PRIORITY OVER PUBLIC WORKS

Mr. PROXMIRE. Mr. President, the administration's budget for fiscal 1967 includes $269 million for public works navigation facilities. These are the funds that will be spent to widen, deepen, and create inland waterways and port facilities. This category has included a number of pork barrel public works projects in the past that I have not hesitated to criticize on the floor of the Senate.

At the same time, the special milk program for schoolchildren will receive a mere $104 million for fiscal 1967. This is less than 40 percent of the amount scheduled to be spent on navigation facilities. Yet the school milk program has proven its worth year after year. Not only does it play a key role in the nourishment of our young people but it also has utilized large quantities of milk that the Federal Government would otherwise have had to purchase and store at the taxpayers' expense under the dairy price support program. In addition it has helped the dairy farmer to receive additional income by creating a demand for his product at a time when the dairy farmer is the low man on America's economic totem pole.

Mr. President, I think an objective look at these two expenditure areas would convince most people that if additional funds are necessary for the school milk program, and they are, they should be taken from public works moneys. I am going to seriously consider introducing one or more amendments to the public works bill which will slash unneeded funds from this program. I also intend to fight hard for at least an additional $6 million for the school milk program for fiscal 1967 in a supplemental appropriations bill.

A NATIONAL COMMISSION ON PUBLIC MANAGEMENT

Mr. DOMINICK. Mr. President, the scientific and technological knowledge of this Nation doubles every 15 years, while we in the Congress ignore the progress as it is being made. New systems of management and administration have been developed, are being refined, and are being successfully used in coping with very complex problems, and we in the Congress have ignored the potentials in these new systems and their application to the problems we have been facing for the last decade. Instead, we have stuck our heads in the sand and relied solely on the outmoded problem-solving methods which have led to all problems coming to Washington, and the Federal

Government's increasing control in all sectors of our private lives.

The Opinion Research Corp. disclosed in one of its polls that our citizens prefer "private-sector action to Federal action" in dealing with juvenile delinquency, job retraining, youth fitness. Yet we have continued to see the Federal Government expand in all these fields, and we have left untapped the know-how of our private enterprise and voluntary organizations which have a wealth of expertise in these fields.

Even as State governments are recognizing the importance of revitalizing governmental structures by modernizing approaches, we continue to waste money and set up inefficient programs directed toward our complex problems. We ignore the fact that there are now new tools at our command which will streamline the solutions, bring about success more rapidly, and which will cut down on Federal control in areas better left to other sectors of our political and economic life.

What are the problems we must face? They exist in every area and they are becoming increasingly complex day after day.

Air pollution; water scarcity—and water pollution where there is available water; housing—substandard housing units in the United States number 9 million, primarily in our urban areas; traffic jams—proverbial though they may be, they cost us $5 billion a year and I haven't seen any signs that the situation is improving; education, health services, law enforcement or lack thereof; distribution of welfare. All these problems could be solved by coordinated, comprehensive approaches which would utilize the breakthroughs already made by our private industry and our State and local governments.

For this reason and because I feel we must face directly the problems of our industrial and urban age, I am actively supporting a proposal to create a National Commission on Public Management. Along with Senators SCOTT, ALLOTT, BENNETT, CASE, FANNIN, KUCHEL, MORTON, and TOWER, I urge my colleagues to consider closely the advantages of using the new technology to the benefit of all American citizens. A companion measure is being introduced today by Representative MORSE of Massachusetts and over 40 other Congressmen. In this manner we hope to make clear that our efforts to constructively and positively meet the needs of our time are in line with our traditional concepts of the free enterprise system, but are directed toward true solutions, not toward makeshift stopgaps.

The National Commission on Public Management would bring to light the new tools which we have at our command to solve our complex problems. It would be responsible for answering two basic questions: can the new management technology, called the "systems management approach," aid us in solving our pressing public problems; and what is the best possible way to utilize all expertise and resources in solving these problems?

Our bill proposes that a National Commission be appointed by the President in order to study and recommend the best way to use modern systems analysis techniques to solve our domestic problems at all levels. For 30 months it would draw from the best minds in the field of modern management technology and would learn from the experience gained by some of our States in using the new technology. The Commission would draw from the expertise in our private industry which has developed and refined the new methods of systems analysis for solving problems in the aerospace and defense sectors.

My own State of Colorado has recently taken steps which have borne fruit in budget control, through the coordination and effective use of systems management approaches. A temporary committee on administrative management has been meeting for some time and will soon report to Governor Love. It is my understanding their recommendation will be to form a permanent committee of this type to put to use in all phases of our Colorado State government the new technology which our National Commission should consider. Other States have taken similar steps to improve their problem solving methods, and our National Commission could profit from the lessons Colorado and these States have learned through trial and error, through success and failure.

There have been other proposals by our colleagues to authorize expenditures of public funds for contracts with universities or other organizations which would attempt to apply the systems analysis to public problems, and these proposals have my full support on their basic concept. It is my strong feeling, however, that at this point we need an overall picture. We need to have recommendations from those directly involved in the potential use of the systems approach in the future. Then we can move ahead on specific application of the systems approach to our domestic ills.

Mr. President, we have the opportunity through the National Commission on Public Management to revolutionize our political approach. The significance of this example of political creativity goes far beyond the mere consideration of our scientific advances. It sets forth our desire to honestly meet and solve the problems we are hearing about in hearings being held every day by every congressional committee. It encourages our citizens that finally we are going to employ the tools necessary to meet these problems. And it will provide to us the basis for effective approaches in keeping with the mood of the times instead of our resorting to growth in costs without growth in effectiveness.

MAINE'S LITERARY TRAIL

Mr. MUSKIE. Mr. President, Maine's majestic coast and the beauty of Maine's inland landscapes have been admired by generations of tourists and residents. Frequently overlooked, however, is the influence which Maine has had on America's literary heritage.

That influence has been impressive. For instance, Maine was the birthplace of Henry Wadsworth Longfellow, Sarah Orne Jewett, Kenneth Roberts, Edna St. Vincent Millay, Edwin Arlington Robinson, Kate Douglas Wiggin, and Bert L. Standish.

Maine was home to Nathaniel Hawthorne, Harriet Beecher Stowe, Elijah Kellogg, Artemus Ward, Daniel Webster. Kellogg, Parish Lovejoy, S. F. Smith, and Gladys Hasty Carroll at various times in their lives.

Both Longfellow and Hawthorne were graduated from Bowdoin College in 1825.

Summer residents of Maine have included William Dean Howells, John Greenleaf Whittier, Booth Tarkington, Ben Ames Williams, Margaret Deland, and Walter Lippmann.

The New York Times of Sunday, August 14, carried an article by William C. Roux describing Maine's literary trail, a tour through the communities which helped shape the personalities and writings of many of America's foremost men and women of letters. I ask unanimous consent that Mr. Roux's article appear in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 14, 1966]

LANDMARKS ALONG A LITERARY TRAIL IN MAINE

(By Willan C. Roux)

AUGUSTA, MAINE.—This state is noted for many things other than lobsters, scenery and vacation spots. For example, within a 100-mile radius of Augusta, the capital, are perhaps more literary landmarks than one will find within any similar circle in America.

The list of famous authors from this area includes contemporary writers, as well as many who have distinguished themselves in American literary history. The area where these writers lived is contained roughly in a triangle whose top point is Bangor and whose sides extend along U.S. 1 to Kittery and U.S. 2 to Bethel.

A visit to these places offers not only a rewarding opportunity to relive a vast portion of America's literary history, but also a chance to enjoy the variety and beauty of many of this state's coastal and inland towns. And throughout this journey along Maine's so-called "Literary Trail," one is never far from comfortable lodgings and good food.

SUMMER HOME

Kittery Point, directly outside of Kittery, is where William Dean Howells, dean of American letters and author of "The Rise of Silas Lapham" and other works, had his summer home. And in the local cemetery, the gravestone of Levi Thaxter, husband of Celia Thaxter, the poet, is distinguished by a poem written by Robert Browning.

The trail moves through York, York Harbor and York Beach, three coastal towns that suggested to Sarah Orne Jewett the writing of "Deephaven." And it was in York Harbor that John Greenleaf Whittier met the young woman he immortalized in "Maud Muller."

From York, the trail turns to South Berwick, where Sarah Jewett was born in 1849. Her home, which was built in 1780, is open to the public during the summer. On the outskirts of town is the home of Gladys Hasty Carrol, author of "As the Earth Turns," "Dunnybrook" and other novels.

The next stop is Kennebunk, where Kenneth Roberts, whose historical novels rival those of James Fenimore Cooper, was born

in the Storer House. It is just off U.S. 1. Roberts's summer home, along with those of Booth Tarkington and Margaret Deland, were at nearby Kennebunkport.

Farther along scenic U.S. 1 is Portland, the city that Henry Wadsworth Longfellow once described as the "beautiful town that is seated by the sea." He was born there in 1807, and his home on Congress Street, the first brick building in the city, is open to the public.

FOLKLORE REPOSITORY

In the rear of the house is the headquarters of the Maine Historical Society, a well-stocked repository of the state's folklore and history.

State Route 22 leads from Portland to Bar Mills, where Kate Douglas Wiggin, best known for her "Rebecca of Sunnybrook Farm," lived in a fine old Colonial residence called Quillcote. The barn on the estate has been remodeled into an assembly hall and decorated with drawings that illustrated her books.

Miss Wiggin is buried in the churchyard at the Tory Hill Meeting House, just a half-mile from the estate. This church and the surrounding neighborhood were the setting for her book, "Old Peabody Pew"; a dramatization of this story is presented here every August.

The tourist then proceeds to South Casco, on the northeast shore of Lake Sebago, where the 12-year-old Nathaniel Hawthorne came to live with his widowed mother. Hawthorne House, built in 1812, is still standing. So is Manning House where Hawthorne's uncle lived.

The "Literary Trail" next leads to Brunswick. This is the home of Bowdoin College, where both Longfellow and Hawthorne studied and were graduated with the Class of 1825. The new Longfellow-Hawthorne Library on the campus contains a complete exhibition of manuscripts, letters, early editions, portraits and other personal memorabilia of these two classmates and close friends.

NATIONAL LANDMARK

No. 25 Federal Street in Brunswick, where both Hawthorne and Longfellow lived, is not far from the Harriet Beecher Stowe House at 63 Federal Street. This house, now a national landmark, is where she wrote "Uncle Tom's Cabin."

The first Parish Congregational Church, in which the author had her "vision" of the story, is at the corner of Harpwell, Maine and Bath Streets.

SPIRED CHURCH

Nine miles out of Brunswick, by way of State Route 123, is Harpswell Center and the Elijah Kellogg Church, a lovely spired building that is still used for worship. Kellogg was the author of the well-known boys' books, "The Elm Island Series" and "The Whispering Pines Series." Both series had their setting in the rustic landscape around Harpswell Center.

From Brunswick, the "Literary Trail" also continues, via U.S. 201, to Gardiner. This was the home of Edwin Arlington Robinson, the three-time winner of the Pulitzer Prize for poetry. This is the "Tilbury Town" of his poems, and a memorial stone was raised in his honor on the Town Green.

Here in Augusta, a few miles farther along U.S. 201, the State Library in the State House contains more than 200,000 volumes. It is there, too, that a permanent collection of books by Maine's authors is maintained.

The next step on the trail is Thomaston. This is the site of Montpelier, a reproduction of the home built in 1793 by Gen. Henry Knox, Washington's Secretary of War. Hawthorne made fictional use of the family and the estate in his "The House of the Seven Gables."

About five miles farther along U.S. 1 is Rockland, where Edna St. Vincent Millay was born. The site, at 200 Broadway, is marked with a tablet. She was the first woman to receive the Pulitzer Prize for poetry.

"NICK CARTER" HOUSE

The trail then moves northeast to Bangor. At 166 Union Street is a brick house occupied at various times by Owen Davis, the playwright, and Gene Sawyer, the author of the "Nick Carter" books, a series of dime novels from another era.

West of Bangor, by way of U.S. 2, is Corinna, where Gilbert Patter, better known as Bert L. Standish, author of the "Frank Merriwell Series" for boys, was born in 1866. Farther along this route is Skowhegan. There, Artemus Ward, the American humorist, once worked in a printing office.

The tourist then moves south to Waterville. This is the site of Colby College, whose library contains an impressive collection of the manuscripts of Maine authors. Included is an autographed copy of the poem, "My Country 'tis of Thee," by S. F. Smith, who taught modern languages at the college.

Just east of Waterville is Albion, the estate of Elijah Parish Lovejoy, journalist and anti-slavery leader. Lovejoy was killed in a mob riot in Alton, Ill., while defending his right to a free press.

WEBSTER TAUGHT HERE

Still another interesting stop on the trail is Fryeburg, on U.S. 302, in the western precincts of the state. It was there that Daniel Webster taught at the Fryeburg Academy for the meager stipend of $20 a month. This town is also the birthplace of James R. Osgood, the Boston publisher, and the scene of "The Village," the 2,000-line poem by Enoch Lincoln, poet-Governor of Maine.

A scenic trip over U.S. 302 winds through lovely hill and lake country and back to Portland.

THE RIGHT TO BEAR ARMS

Mr. DODD. Mr. President, since I first introduced the gun bill in the Senate some 3 years ago, the American public has been flooded with voluminous writing both condemning and supporting this legislation. Manufacturers' lobbies and, to be sure, the National Rifle Association have been formidable opponents.

Curiously enough, however, Mr. President, the greatest strength of the antagonist in this drama has not rested on the vested interest. Rather it has been drawn from the fallacious assumption that the right to bear arms is nothing short of a natural birthright.

In this week's Saturday Review, Mr. Harold Lavine, senior editor of Forbes magazine, reviews Carl Bakal's book "The Right To Bear Arms" in an article entitled "A Lethal License."

I strongly recommend Bakal's book to my colleagues, and I also want today to bring to the attention of the Senate Mr. Lavine's review, which illuminates in capsule form this fallacious argument of "the right to bear arms."

I ask unanimous consent to have this excellent review printed in the RECORD at this point.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

A LETHAL LICENSE

("The Right to Bear Arms," by Carl Bakal (McGraw-Hill. 392 pp. $6.95), excoriates the irresponsibility of the National Rifle Association in blocking the passage of legislation regulating the sale of guns, pistols, and other missiles. Harold Lavine is a senior editor of Forbes magazine.)

(By Harold Lavine)

It's all part of the American mystique: the Pilgrim father, setting out to kill a turkey for the first Thanksgiving, his musket astride his shoulder; the Minuteman, crouching with his rifle behind a rock as the Redcoats approach; the pioneer wife, fighting to defend her cabin while her man is away, her young ones tugging at her skirts; the covered wagons drawn in a circle, the men taking deadly aim at the attacking redskin horde, the women caring for the wounded; the sheriff and the badman, both cold-eyed, both silent, walking toward each other on a dusty, Western main street, Colts dangling from their hips.

It makes no difference that most of the militia so enshrined in American legend were exactly what the Redcoats called them, a rabble, who drove George Washington almost to despair. ("I am wearied to death . . . at the conduct of the militia," he wrote.) Or that it was the Regular Army who really won the West. Or that, with only an occasional exception, the gunslingers of the frontier couldn't hit the side of a saloon. Most mystiques bear only a fleeting relation to fact, but they are no less real for that.

Our mystique has made us a nation that worships firearms, and in this we are unique. Nowhere else in the world do men believe the right to own a private arsenal, including machine guns, mortars, and even bazookas, is derived from God. And nowhere else do men shoot each other—and themselves—with such abandon. Every year, says Carl Bakal in *The Right to Bear Arms*, there are 17,000 *fatal* shootings in the United States. Since 1900, the first year for which any records at all are available, firearms have claimed the lives of 750,000 Americans. In all the wars in our history, starting with the Revolution and including the war in Vietnam, only 530,000 Americans have fallen in battle.

No other nation has a death rate caused by firearms even approaching ours: homicides, 2.7 per 100,000 population; suicides, 5.1 per 100,000; accidents, 1.2 per 100,000. Canada still is largely frontier, but contrast our record with Canada's: homicides, 0.52; suicides, 2.9; accidents, 0.8 per 100,000.

We kill each other (and ourselves, too) with guns for a very simple reason: We have them. How many we have, nobody really knows. Bakal says that some estimates place the number at more than 50 million, others at 200 million, "and one as high as a billion." Any time we're angry, we can always find a gun to vent our anger with; any time we're despondent, we can always find a gun with which to blow our brains out; and sometimes, of course, guns "just go off."

Other nations strictly regulate the sale of firearms. In the United Kingdom, for example, no one can buy a pistol, a revolver, or rifle without a permit from the police, who issue very few of them except to farmers, acknowledged hunters, and members of shooting clubs. Why should they when they rarely find a need to carry guns themselves? Similar restrictions on firearms apply in almost every reasonably civilized nation in the world.

In the United States, by contrast, any dope addict, any professional burglar, any escapee from an insane asylum can buy almost any kind of weapon (except an H-bomb) with ease. In December 1964 a reporter for the Associated Press bought a grenade launcher from a Manhattan gun shop for $15.60 after turning down a World War II mortar offered to him at a bargain price because, the dealer explained, "it takes up too much room." At just about the same time, a Detroit Free Press reporter bought a 25-mm. French anti-tank cannon. "It was easier than buying

a package of firecrackers. The price was $150. The salesman told me: 'You could blast a Brink's truck off the map with this thing.'"

There are only two federal laws dealing with firearms. One merely prohibits the possession of machine guns and other automatic weapons unless registered with the Treasury Department; if does not touch pistols, revolvers, rifles, or shotguns. The other prohibits the interstate shipment of all firearms to and by convicted felons, people under indictment, and fugitives from justice. It also provides that manufacturers, dealers, importers, and others doing business in firearms across state lines have a license. Since as Bakal learned by doing, anyone can get a license simply by filling out a Treasury form and paying $1, this provision is meaningless.

None of the fifty states requires a permit or a license to purchase a rifle or a shotgun and only seven require a permit or license to purchase a handgun. And even in those states there is nothing to prevent anyone from ordering a gun by mail.

Bakal has written a bitter, angry—and timely—book. The bitterness and the anger stem from the fact that, after Lee Harvey Oswald killed John Fitzgerald Kennedy with an Italian mail-order rifle, a cry arose for legislation regulating the sale of firearms, eighteen bills were offered in Congress—and not a single one was passed. They all fell victim to what is probably the most successful lobby in Washington, the National Rifle Association.

The NRA claims about 700,000 members, but its real power is based on the mystique of the gun, the belief that guns are inseparable from "the American way of life." The NRA, moreover, has succeeded in convincing tens of millions of Americans that any restriction of the sale of guns would violate the Second Amendment, which says "A well-regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms shall not be infringed." The amendment clearly was designed only to protect the right of the states to raise and maintain state militias, but the NRA assiduously has spread the misconception that it also protects the right of teen-age hopheads to carry pistols. The reason for the NRA's attitude is simple greed: addicts are just as good a market for guns as anyone else.

The timeliness of Bakal's book is written in the headlines, in the story of Charles J. Whitman, the all-American boy who killed fifteen people before the police succeeded in killing him. The cry has again arisen for a law to regulate the sale of firearms. President Johnson has called for such legislation. The chances are that nothing will happen, just as nothing happened after the assassination of President Kennedy. As long as Americans continue to cherish the gun as they cherish mom's apple pie, Americans will continue to kill with guns.

TUSCALOOSA ARCHITECTURE

Mr. SPARKMAN. Mr. President, today I would like to extend an invitation to my fellow Senators and to all Americans to visit Tuscaloosa, Ala.

Tuscaloosa, home of the University of Alabama, is a city of beautiful architecture, much of which dates back to the Civil War and even before. Along with many other fine homes, the president's mansion, which today houses the president of the university, was rescued from Union destruction during the Civil War. Today it is admired as one of the most distinctive examples of Greek Revival architecture in the South.

Tuscaloosa architecture also includes such ante bellum houses as the 137-year-old "low country cottage," now a museum, of Confederate Gen. Josiah B. Gorgas, and the Friedman Library, modeled after an Italian villa.

To those who appreciate and revere the historical beauty of the South as displayed in its architecture I suggest a trip to Tuscaloosa. Those interested in southern history will find Tuscaloosa architecture delightful.

I ask unanimous consent to have printed in the RECORD the text of a Birmingham Post-Herald article written by Richard Miles on Tuscaloosa.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Birmingham (Ala.) Post-Herald, June 14, 1966]

TUSCALOOSA—A CITY OF HISTORY AND BEAUTY

This is another of several articles on historic and scenic places to visit in Alabama this Summer.

(By Richard Miles)

Ravages of the Civil War did not leave Tuscaloosa completely empty-handed.

Though Union troops managed to destroy almost everything in sight, such stately mansions as the Gorgas House still grace the area.

Home of the University of Alabama and the famed "Crimson Tide," many visitors do not think about the history and beauty of the town.

Architecture ranging from an "Italian villa" to the modern, marble, glass and steel courthouse mark Tuscaloosa as a city of contrast.

Deep seated in American, Alabama and Tuscaloosa history is the Gorgas family. Gorgas House, on the University Campus, has been used for almost every purpose.

It was once a mess hall for military students. Later it served as the president's mansion.

Gen. Josiah B. Gorgas—whose son was the man who helped conquer yellow fever—moved into the house in 1878. Built in 1829, the house was then 49 years old.

Amelia Gayle Gorgas, the general's wife and "Angel of the Campus," lived here. The main library—shelving over 350,000 volumes—is named in her honor.

Facing up to the might of the Union Army, University President Garland's wife saved her home from burning to ashes. She stood up to the Union forces and declared they would not burn her home.

In a show of womanly force, she made them put out the fire they had already started.

Constructed through the toil of native craftsmen and slaves, the house—now almost priceless—cost $25,000 to build in 1840.

Stretching 41 feet to the roof cornice, six white Ionic handmade marble columns span the 60-foot portico of the President's Mansion. The home of Dr. Frank A. Rose, now president of the University, is situated in the center of the campus on University-av.

Friedman Library was designed by a Philadelphia lawyer to resemble an "Italian villa."

Peaked with an octagonal cupola which is adorned by open-wood tracery and slender colonnades, the second floor roof proclaims to all its classic design.

Designed for Robert Jamison, all materials used in the mansion's construction came from the owner's land. All work was done by slaves.

Uniqueness is not limited to the exterior of the house. The basement holds a ballroom, wine cellar and a plant for making gas from coal to light the house.

Over $3 million was spent on the new county courthouse. It is only one of the several new facilities in the burgeoning city of higher learning.

The building keeps the feeling of the "Old South" with its columns of glistening windows. They seem to be sky-reaching pillars.

Pleading, water bucket-bearing wives of University professors saved the Little Round House while Croxton's Raiders burned the rest of the old quadrangle in 1865.

Now the humble little house is almost completely overshadowed by the Gorgas Library.

Originally constructed as a sentry house for University military students in 1860, the house remains as a tribute to the faculty and students who fought to save the University from complete destruction.

Once the governor's mansion, the present University Club, was built in 1829, adding to Alabama's list of ante-bellum mansions.

Typical of the many Greek Revival houses in Alabama, the club is bolstered by six massive Ionic columns across the front portico.

Situated at the corner of University-av. and Queen City-av., the building is now used by faculty and staff members for a private club.

MARINE RESOURCE DEVELOPMENT

Mr. JACKSON. Mr. President, all Members of the Senate are increasingly concerned with the necessity for defining the potential of the world's oceans as suppliers of food, minerals, and other resources vital to an exploding population, both in our own country and in the rest of the world. Recently President Johnson appointed a national council, under the chairmanship of the Vice President of the United States, to review the Government's widespread marine resources activities and advise him as to the most effective means for coordinating them. It is my conviction, Mr. President, that any recommendation for the coordination of Federal oceanographic programs—at least insofar as mineral-resource exploration and development are concerned—cannot fail to recognize and support the outstanding attainment and proficiency in this field that has already been demonstrated by the Interior Department's Geological Survey and Bureau of Mines.

With this new and highly important responsibility of the Vice President in mind, and with my own clear understanding of the need for this Nation to move forward quickly and efficiently in oceanographic research and development, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a highly informative article titled "Seagoing Prospectors From Tiburon," by Bill Arnold, which appeared in a recent issue of the Marin magazine, published in Tiburon, Calif.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. Mr. President, this article describes the progress being made by the Geological Survey and the Bureau of Mines in establishing the foundation for a future marine mining industry. Working steadily and quietly together in the San Francisco Bay area, scientists and engineers of these two agencies have made excellent progress in a program that until recently has received only modest Federal appropriations. Three

vessels obtained from the Defense Department have been converted for research and development in undersea mineral exploration and mining, and other ships are being chartered as necessary. Experimental models of ocean-floor sampling and mining devices are being developed and tested. Most important of all, in a field of research about which so little is known, the Tiburon center in California has established many points of contact with universities, State mining and geology departments, the defense agencies, and other organizations through which the exchange of existing knowledge and newly acquired information is being facilitated.

At present, geological and geophysical reconnaissance is being conducted along the Alaskan Coast, as part of this cooperative program. Next spring, the first full-scale expedition to the coastal waters of Alaska will be well underway. In that little-known area, the Survey and the Bureau will conduct investigations to develop methods for defining and ultimately, I am confident, developing the high potential of offshore deposits of gold, silver, platinum, and other heavy metals that the United States urgently needs. Such developments will benefit all of the coastal States, including my own State of Washington, and the Nation as a whole.

The quest of the Interior Department Agencies will not be easy. The ocean poses many difficult problems for those seeking practical methods for recovering its hidden resources. It is an environment that is largely unknown and often hostile to man. But, through the progress they have made thus far, the Bureau and the Survey already have demonstrated a capability and a determination to succeed. They have also shown an awareness of the need for carefully considering potential harmful effects on other ocean resources, such as fish and other forms of sea life, in planning the development of ocean mining technology.

Commonsense dictates that responsibility for coordinating Federal activity in this pioneering area of research and development should in large measure rest with these two thoroughly qualified agencies of the Department of the Interior, and I commend their record and potential to the Members of the Senate and to the Vice President's National Council on Marine Resources and Engineering Developments.

EXHIBIT 1

[From the Marin magazine, July 30, 1966]

SEAGOING "PROSPECTORS" FROM TIBURON—U.S. SETS STAGE FOR POTENTIAL NEW INDUSTRY OF MARINE MINING

(By Bill Arnold)

Alaskan bound ships are leaving San Francisco Bay in search of undersea gold, silver and platinum under a new phase of a U.S. Department of Interior program.

It isn't another gold strike that's sending government ships to Alaska, but the need to more about the new field of detection and mining of precious minerals in "the last frontier."

Coordinated under the department's Marine Minerals Technology Center in Tiburon, the program is designed to encourage the development of a privately owned marine mining industry and to give the government information in which it can later set policy in the new field.

The three-year-old Marine Minerals Center at Tiburon is a joint operation by two departmental agencies—the U.S. Bureau of Mines and the U.S. Geological Survey. Bureau of Mines engineers staff the center now, with survey scientists expected to arrive later this fiscal year.

"The marine field is just now really opening up," according to Harold D. Hess, a project leader with the Bureau of Mines, "because of the increased demands nations are placing on resources." Phosphorites, tin and tungsten are among the other heavy minerals the marine center will search for.

For the past three years the center has been involved with outfitting ships, improving undersea search techniques and perfecting instrumentation.

This fiscal year, with a $1,200,000 budget that is three times greater than last year's, the center is ready to begin actual ocean searching.

The present center staff of 18 is expected to double soon in the continuing open-ended program.

Recently, the center acquired a 205-foot navy tug to add to its two-ship exploration fleet. The tug, which is now under-going reactivation at Fultion shipyards at Antioch, has a range of 12,000 miles at a 10-knot speed, good for several months at sea.

Named the *Virginia City* by the center, the tug will undergo extensive modification to prepare her for Alaskan waters. Included will be sensitive detection equipment that can "profile" the sea bottom and penetrate the sub-bottom strata.

So equipped, the *Virginia City* will carry the center's first long range expedition into Alaska next spring. A geological survey ship has already left a Redwood City port to work this summer in locating mineral deposits.

Although the two Interior Department agencies share the long-range program, the Geological Survey has the dominant role in exploration while the Bureau of Mines is concerned with determining the scope and quality of the deposits once they're found.

The first ship will give information valuable to the *Virginia City* in the complimentary research program.

Alaska was chosen because of its high potential for heavy mining, according to K. E. Taylor, 61, a retired navy captain and project leader in charge of outfitting the *Virginia City*. Presently, 17 areas along the whole Alaskan coast have been earmarked for high mineral content potential.

Although some scuba diving will be used, the bulk of the ship's work will be done by surface mounted drilling guided by the detection equipment. Undersea work is being considered for later trips.

The detection equipment is so accurate, Taylor said, that the ship will be able to return within 3 feet of a previous drilling in 200-foot-deep water.

The other two ships in the center's fleet are the 165-foot *Grass Valley*, a converted navy net-tender, and the 65-foot *Cripple Creek*, a former army cargo vessel. All center ships carry the designation "R.V." which stands for "research vessel."

For good luck, the ships carry the names of famous mining strikes. "We thought it was appropriate to give them mining area names that were historically the biggest producers," Hess said.

"To give us experience" the two smaller vessels are being used for short trips around the bay, Hess said.

The center is working with the State Division of Bay Toll Crossings in taking samplings for potential second Bay crossing sites. Upcoming trips include a joint Bay sampling venture with the State Division of Mines and Geology and a trip to Drakes Bay in "the near future" to test marine instruments.

Te center is also getting information from several West Coast universities, the navy and the Army Corps of Engineers. "We need a lot of information about undersea environment" Hess said, "because so little is known."

Research director of the center is Arthur P. Nelson, 53, of Tiburon. Under him as project leaders, besides Taylor, are Hess, 41, of Terra Linda, in charge of resource delineation; Adolph M. Poston, 43, of San Rafael, in charge of instrumentation, and Richard L. Jenkins, 34, of San Anselmo, mineral sampling.

The Marine Minerals Techonoly Center is one part of the Interior Department's Tiburon Oceanographic Center. The bureaus of sports fisheries and wildlife and of commercial fisheries are also housed there.

The 77-acre installation was once the Tiburon Net Depot, a net-tending station for the navy, which still uses part of it for instrument testing.

DUKE KAHANAMOKU

Mr. INOUYE. Mr. President, the names of Duke Kahanamoku and Hawaii are synonymous. One of the greatest athletes of the past half century, Duke Kahanamoku is truly a living legend.

He became Hawaii's best known personality overnight when he swept the Olympic games swimming events at Stockholm in 1912. Since then he has been a beach boy, an actor, sheriff of the city and county of Honolulu, an official greeter, restaurateur and, as one writer put it, "everybody's favorite Hawaiian."

Mr. Leonard Lueras reviewed Duke Kahanamoku's fabulous career in an article published the day before Duke's 76th birthday this week by the Honolulu Advertiser.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DUKE KAHANAMOKU

(By Leonard Lueras)

It's been a big, busy year for Duke Paoa Kahanamoku.

Duke, the symbol of Hawaii to millions of persons throughout the world, will be 76 years old tomorrow.

In the past year he's traveled tens of thousands of miles, carrying the aloha spirit to more people than any other individual.

As he has throughout his adult life, Duke spent his 75th year bringing Hawaii the sort of publicity that millions of dollars couldn't buy.

Here's a rundown on some of his activities during the year:

He was the first person named to both the swimming and the surfing Halls of Fame.

The Swimming Hall of Fame was opened at Fort Lauderdale, Fla., last Dec. 28. It included the world's 20 all-time greatest swimmers—and Duke was No. 1 on the list.

For the opening ceremonies, Duke was reunited with his old Olympic competitor—Johnny (Tarzan) Weissmuller. Also on hand was former Punahou swim great, actor Buster Crabbe.

They call Duke the "father of surfing" because he introduced most of the rest of the world to the royal sport of old Hawaii. So, when the Surfing Hall of Fame opened this June in Santa Monica, Calif., Duke again was No. 1.

More than 2,000 surfers, wearing unaccustomed coats and ties, rose at Santa Monica

Civic Auditorium to give Duke a standing ovation at the ceremonies.

Following that honor, International Surfing magazine dedicated its August-September issue to Duke, calling him "a surfer, who by all standards is king."

Last September, Duke was guest of honor of the City of Huntington Beach, Calif., for the third straight year at the U.S. Surfing Championships, later telecast throughout the country over ABC.

Last December, the first annual Duke Kahanamoku Invitational Surfing Championships were held in Duke's honor at Sunset Beach.

It featured the world's 24 top surfers. One Surfing publication called it "surfing's greatest competitive event ever."

CBS showed it in color last Easter Sunday. It was estimated that between 40 million and 50 million persons watched.

A tobacco company bought 150 tapes of the show to present to American servicemen overseas.

The show was re-broadcast last weekend, after its nomination for an Emmy award as the best special sports production of the year.

In April, Duke traveled to Houston, Tex., with Hawaii surfing greats Paul Strauch Jr. and Fred Hemmings Jr. This was for the first Houston-Hawaii Surfing Week, and for seven days Duke and his companions were Houston's guests.

They made numerous public appearances, including one at the National Aeronautics and Space Administration facilities as guests of the astronauts.

In May, Duke, Hemmings, Strauch and surfer Butch Van Artsdalen represented Hawaii in Southern California in the Broadway department store chain's "Salute to Hawaii" promotion.

The chain bought $750,000 worth of Island products in what was called "the biggest department store promotion ever arranged on behalf of Hawaii merchandise."

Duke and his companions appeared at 20 Southern California shopping centers during the promotion. Duke presented the mayor of each city he visited with a Hawaiian flag.

When Duke visited Malibu's surfing beach on that trip, he arrived in a Rolls Royce with surfboards on the top. This got nationwide newsreel coverage and Duke said: "My boys and I showed 'em how to go surfing."

Duke has been making newspaper headlines for two generations, and the press still loves him.

Jim Murray of the Los Angeles Times wrote a nationally syndicated column during Duke's Southern California visit in which he said:

"I don't know who the greatest athlete of the half century was, but I know who one of them was—a great, lion-hearted old man I spoke to, between dozes, at the Ambassador (Hotel) the other afternoon."

Duke made the Jan. 17 issue of Sports Illustrated in an article by Honolulu writer Ted Kurrus which was called "The Swimming Duke of Waikiki."

He was mentioned by nationally syndicated columnists Walter Winchell, Earl Wilson and Herb Caen.

Duke got a tremendous ovation when he appeared on the Ed Sullivan TV show in New York last January. The show has twice been broadcast nationally. Duke also appeared on Arthur Godfrey's radio program on his New York trip.

In March, when entertainer Don Ho made his first Mainland appearance at Hollywood's Cocoanut Grove, Duke went along. He was introduced nightly to sellout crowds.

One night, Duke wrapped his suit coat around his waist in place of a grass skirt and danced the hula for the Grove audience. A photographer got a picture that moved all over the world via United Press International.

But one of the top news pictures of the year was taken last May 3 when Duke did another hula—this time with the Queen Mother of England.

Photographer Werner Stoy got the picture when Duke gave Her Majesty a quick hula lesson during her stopover at Honolulu International Airport.

That photograph made front pages all over the world—a priceless bit of Island publicity.

Duke became a political campaigner this year—for a few days. He announced that he would be a Republican candidate for lieutenant governor.

That made more nationwide headlines, even though Duke stepped gracefully out of the political arena shortly after.

Duke has become an ambassador-at-large for Hawaii. The Waikiki nightclub bearing his name is one of the most successful in the country. It's a tourist "must."

Despite the recent airline strike, which cut the number of summer visitors to Hawaii, there always were double lines of persons waiting to get into Duke's.

Duke's name is on numerous surfing and clothing items distributed internationally—surfboards, tennis shoes, bathing suits, sportswear.

Honolulu author Joe Brennan has just written Duke's biography, "Duke of Hawaii." Several Hollywood producers are interested in doing a movie of Duke's life.

During his 75th year, Duke crowned beauty queens, attended banquets, helped land a marlin in the annual Billfish Tournament in Kona, became honorary district commodore in the Coast Guard, and was the recipient of the State's first Medicare card.

Because Duke is so active, many people forget that he had a serious heart attack in 1955, was treated for gastric ulcers in 1962 and had a blood clot removed from his brain that year.

But today his health is considered excellent. He's up early every day, and by 6:30 a.m. he can be found in Top's on the Ala Moana eating breakfast.

Then he's off to the Waikiki Yacht Club, where he likes to spend the day on his 28-foot power boat, the Nadu K II. The name of the boat combines his first name with that of his wife of 26 years, Nadine.

Tomorrow afternoon, between 300 and 400 of the thousands of close friends Duke has made over the years will attend a luau in his honor at his nightclub.

Duke isn't a big talker, so he probably won't be making much of a speech at his birthday luau. He'll probably dip into a massive bowl of poi, ruminate a few seconds on his busy life, then repeat one of his favorite philosophies:

"I never have any plans; just go by ear."

PRAYER IN PUBLIC SCHOOLS

Mr. BAYH. Mr. President, I ask unanimous consent to place in the RECORD two additional statements received by the Subcommittee on Constitutional Amendments relating to prayer in public schools. For the benefit of those who may wish to read all of the statements, previous insertions were made on August 23 and 24 at pages 20295 and 20451, respectively, and others will be inserted subsequently.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF ROBERT F. DRINAN, S.J., DEAN OF THE BOSTON COLLEGE LAW SCHOOL

Fr. DRINAN. Thank you very much, Senator.

Distinguished Senators, ladies and gentlemen, I speak in opposition to the proposal on which hearings are being held this morning.

It is difficult to overstate the significance of the fact that the Bill of Rights has never been amended in all of American history. The ten Amendments to the Constitution which spell out the fundamental guarantees have existed there now in a remarkably durable way under the oldest written operative constitution in the world.

The one partially successful attempt in American history to change the First Amendment's provisions was the Blaine Amendment and that proposal, which all but passed the Senate except for one vote, which had been passed by the House of Representatives, would have simultaneously done two things. It would have required Bible-reading in the public schools while simultaneously denying any federal aid or state support for church-related schools. The Blaine Amendment reflected the mood at that time and sought somehow to capture the mood and seek the apotheosis of a public school with Bible-reading.

Justification therefore for amending the Bill of Rights in the nature of things should be very, very serious. And especially it seems to me, should it be grave when we consider that the 16 words about religion in the First Amendment have served us well in this country and that they have gone unchallenged, really undefined, in the period from 1791 until at least 1947. We should say, therefore, that in the long range we have had only 20 years of constitutional construction and only seven decisions at most in which the establishment clause, which is in issue here today, has been defined.

We therefore should say that before we change the substance of the First Amendment that we should be very certain that the changed version is more advantageous to today's religiously pluralistic nation than the wording of that amendment can be.

I wish to speak therefore about three distinct but closely related subjects.

First, the problem of the secularization of the public school; secondly, the impossibility of any "voluntary" prayer being the answer to this problem; and, third, I want to speak about the infirmities, the inconsistences and the contradictions which are implicit in Senate Joint Resolution 148 which is being discussed here today.

Let me speak first about the secularization of the public schools.

Since the end of World War II the student population in church-related elementary and secondary schools has more than doubled. These schools—operated by Catholic, Lutheran, Orthodox Jewish and other groups—now enroll every seventh child who goes to school in America. The unprecedented growth of these institutions in the last 20 years is both the cause and the effect of the secularizing process which has been going on over a long period of time in the public schools.

The private sectarian school seeks to create a religious orientation within its curriculum which will combine with secular learning the essential elements of the Scriptural, sacred and spiritual values of the Judaeo-Christian culture. The nonpublic church-related school is built on the premise that the orientation of the public school is and must continue to be secular; some advocates of denominational schools would in fact claim that the public school is secularistic—even to the point of unconstitutionally "establishing" a secular or nonreligious philosophy of education.

Whatever one might think about the need of wisdom of private, church-related schools, it is undeniable that the public school has become an institution where religious values may be referred to or taught only in the most general way. It is a school whose only religious orientation is that it has no religious orientation.

The public school has in fact been an institution of this character for a long time; the banning of Bible-reading and of prayer by the Supreme Court in 1963 merely stripped away the widespread illusion that the American public school somehow combined piety and learning in an eminently satisfactory way. The various constitutional amendments proposed by congressmen and senators to restore to the public schools the last vestiges of their piety—Bible-reading and prayer—constitute an almost irrational refusal to surrender one of the most persistent myths in American life—the illusion that the public school can train future citizens in morality and piety.

Every attempt to restore religion to the public school is an endorsement of a philosophy of education that maintains that piety should be encouraged as a most helpful and possibly an indispensable means to inculcate moral and spiritual ideals. And I say, repeating a bit, that this is but an echo of that illusory hope that prompted the Congress of the United States almost a century ago to pass the Blaine amendment. The hope at that time was that they would freeze the status quo, keep the Bible in the public schools and downgrade and possibly eliminate church-related private schools.

Now, as a Catholic and as an educator, I more than most Americans concede and lament the thunderous silence about religion in the public schools. Along with an ever-increasing number of critics of the public schools, I note with regret that virtually all public school administrators have failed to give any leadership or exercise any initiative in establishing courses about religion or any programs dealing with the history of religion and its impact in world events. And I say categorically that the absence of objective teaching about religion in the public school is one of the most serious educational limitations of public eductaion in this country. Now no one pretends that the structuring of courses about religion or the selection of personnel to teach these courses are easy tasks. But educators would concur that religion should have its place in a public school curriculum which teaches every subject from art to zoology.

There are several feasible and constitutional ways by which the secularization of the public school can be lessened. No one pretends that any of these methods is entirely satisfactory but clearly they offer a more realistic way by which students can actually learn about religion than is offered by the so-called "voluntary" prayer. Among the clearly available and perfectly constitutional options open to the public school are the following:

1. Released or dismissed time off the school premises, clearly validated in 1952 by the Zorach opinion.

2. Teaching about religion. The United States Supreme Court went out of its way in the majority and concurring opinions to point out that the Supreme Court in its 1962 and '63 opinions was not saying anything against the constitutionality of teaching about religion.

3. A study of the Bible. Once again the Court expressly stated that the Bible as literature, the Bible as one of the world's most influential books, certainly can and should be studied.

In view, therefore, of the options that are available to public school educators—which to be sure they have neglected—but why is it that anyone can think that a "voluntary" prayer can have any significant effect in neutralizing the impact of 30 hours every week of religionless teaching on the mind and heart of a child? It seems to me that the solution for the problems that arise from a secular or a secularistic school will not be a simple one. But I feel certain that it will not be found in the introduction of the so-called "voluntary" prayer into the daily routine of children in the public school.

Let me come to my second point. The impossibility of this so-called "voluntary" prayer being a solution to the secularized school.

The gentlemen here are familiar with the hearings that were conducted by the House of Representatives three years ago, and I have here one volume of the three volumes of the 2,774 pages of testimony which were elicited in the spring of 1964, and it seems to me that that testimony demonstrates overwhelmingly that the reaction of Congress at that time was not responsive to any professional body of educators or any organized or unorganized religious body. It seems to me that the 2,700 pages of testimony manifest rather the obvious and sometimes truly pathetic desire of congressmen to be identified in the popular mind with those individuals who want more godliness in our schools and more fervor in our public piety.

We might have hoped that this nostalgia for the past that erupted in June 1963 when the Bible and prayers were banned by the Supreme Court—we might have hoped that that might have subsided by August 1st, 1966. Clearly educators and religious leaders have come to a broadly based consensus that the sectarian practices that were struck down by the Supreme Court had at best minimal educational or religious values.

The piety of Congress continues, however, and, gentlemen, piety is most commendable, but I must say that the piety of the Senate seems to have receded from the more fervent devotion of the House of Representatives two years ago, because the House of Representatives had 146 proposals; most of these proposals wanted both Bible reading and prayers in the public schools, and Senate Resolution 148 is going to settle for voluntary prayers without even a pious affirmation that the Bible is worthy of reading.

Well, if congressional piety has been on the wane, then perhaps it may be that soon it will not be a problem.

It is distressing to me, I say, with great candor, and with great regret, it is distressing for me to have to say that I was requested and strongly urged to testify here today by Catholic, Protestant and Jewish individuals and organizations, and the overwhelming majority of leaders in all of these three religious bodies is strongly opposed to any constitutional change in the First Amendment which would permit voluntary prayers in the public school. Why is it then, I ask, that 40 members of the United States Senate introduced in March 1966 a resolution seeking to do that which is directly opposed to the best judgment of virtually all of the religious leaders and denominational groups in the nation? Why have these 40 senators subscribed to a resolution seeking to accomplish an objective which the leading churches and synagogues of American have vehemently repudiated as unwise and unconstitutional? For what reasons do 40 senators seek to appear more pious than the churches and more righteous than the Supreme Court?

It is also distressing to me to note that no professional organization of educators, to my knowledge, would endorse an amendment to the Constitution which would permit the recitation of prayers. By what process of reasoning, therefore, do 40 senators think that they can or should propose an addition to the curriculum of the public schools of this nation which has not been requested and indeed has been rejected by the vast majority of public school educators in America?

Experts on constitutional law who will support Senate Resolution 148 are as scarce as the religionists and educators who will endorse it. The vast legal literature about the Engel and Schempp decisions has in general tended to join the consensus among religionists and educators to the effect that an amendment of the Bill of Rights is not the way to bring religion into the public school.

However, I repeat again that I am not minimizing in any way the problem to which Senate Resolution 148 is directed. I think that it is very clear that the problem of furnishing academically adequate instruction about religion and morality in the public school is a problem which is much more acute than most educators will admit and more crucial than most parents and even churchmen realize. The public school, furthermore, has as one of its tasks the advancement of community understanding in the face of serious and substantial religious differences in our population. The public school cannot carry out that task unless it can teach children to learn to understand and appreciate and respect the religious differences around them, and that cannot be done by a blackout of discussion of religious differences in the school where these future American citizens attend for the first 17 years of their lives.

If I may make an analogy which I think is appropriate: The non-treatment of the Negro which has characterized American public education until the recent past has clearly added to and deepened the prejudice of the white majority toward the Negro about whom they have learned virtually nothing in the public school. Similarly, non-treatment of religion in the public school can only result in the perpetuation into the next generation of existing misunderstandings over religious differences.

It seems clear to me beyond dispute that the proposal in Resolution 148 offers no solution whatsoever to the religious vacuum in the public school. And I think that the ineptness and the undesirability of the proposals contained in 148 become even more evident when we examine the unbelievably amorphous and ambiguous language of this resolution, and I come therefore to my third and final point.

One of the things proposed in Senate Resolution 148 is the "permitting" of "voluntary participation by students . . . in prayers." No amendment to the Constitution is necessary to permit prayers. It is very clear that if children want to voluntarily participate in a prayer which does not interfere with the academic program of the school, they may do so.

The basic contradiction, as I see it, in Senate Resolution 148 comes from the removal of the prohibition from "the authority administering any school" from providing for . . . the voluntary participation by students . . . in prayer." However you read that, it gives to any school official the broadest power to "provide" for prayers by pupils, and if a school official provides for prayers, can this prayer be said to be voluntary? In every definition of the term, in every dictionary, "provide for" includes the idea of a person or institution arranging beforehand for some service which will be received by individuals at least on a quasi-involuntary basis. Consequently, it is difficult to understand how providing for prayers by school officials can result in voluntary participation.

The inherent contradiction is so baffling that I for one conclude that the purposes and intent of this resolution are simply not clear.

It is even more obscure when you read that there is withdrawn from school officials who can provide for prayers the power to prescribe the form of content of any prayer, and I, for one, cannot imagine a school official who, on the one hand, has the power to provide for the recitation of prayer, but, on the other hand, has no authority to prescribe the form of content of a prayer for which he has authorization to provide.

The incredible obscurity of this thing is further compounded by the shadowy reference to people in a public building for whom "voluntary participation . . . in prayer" is

also guaranteed. The reference apparently is to citizens in a "public building" such as a courthouse where "the authority administering . . . " such "public building" may provide for the "voluntary participation in prayer."

The amorphous aims of this resolution do not stop with public institutions. Every public building which is "supported in whole or in part through the expenditure of public funds" will be under the jurisdiction of an official authorized to "provide for" prayers "by students or others." No definition of "in part" is supplied—thus permitting the inference that a private school which receives federal subsidies for children's lunches may be sufficiently "supported . . . in part" to be subject to any public official who desires to "provide for" prayers for the students.

Two conclusions. Whatever may be said above is not intended in any way to minimize the enormous problems which the secularization of the public school has created in America. As a Catholic, I am fully aware of this problem since at least half of all the Catholic children go to church-related elementary and secondary schools. Educators and religious leaders with the help of Congress and state legislatures should resolutely confront the problem and seek to overcome as fast as possible the neglect and non-treatment of religion in the public schools. But surely an almost incredible amendment to the First Amendment can only make more unresolved this problem which some have called intractable.

If the Senate and the House ever approved Resolution 148 and sent it to the states for ratification by three-fourths of them within a period of seven years, the entire nation would be profoundly confused by reason of the basic ambiguities in the proposed amendment to the Constitution. This confusion could and would lead to division and to disunity and I say this in conclusion, that the passage of this Joint Resolution No. 148 would, in my judgment, be a profound mistake.

Thank you very much.

Protestant Ministers for School Prayers and Bible Reading

(Statement presented to Subcommittee on Constitutional Amendments Committee on Judiciary, U.S. Senate, by Gary G. Cohen, B.D., S.T.M., Th. D., August 2, 1966)

Mr. Chairman, Members of the Subcommittee, many interesting and informative arguments are being offered to this Subcommittee to convince its members that school prayers should or should not be offered. I side with those who support voluntary prayer in school and who desire to see this nation so recognize God. I believe that all American school children should be just as free as the members of the United States Senate to open their day with prayer.

For the purpose of my testimony I should like to turn the attention of this Subcommittee to an issue which is often overlooked, but one which must be emphasized.

I submit that the primary issue before Congress is whether or not provision will now be made to remove the nationwide prohibition of school prayers, so that Americans again may have the freedom to decide for themselves to pray or not to pray in their own schools.

A nationwide prohibition of school prayer and Bible reading surely does exist. As a result of several recent Supreme Court majority opinions, state agencies, school boards, local schools, and individual teachers everywhere are expected to prohibit classroom prayers and Bible reading. In some parts of the country schools were required to discontinue the practice of prayer immediately. In other places school boards and even states have continued to permit daily prayer and Bible reading, assuming that particular opinions of the Supreme Court do not apply to them. However, wherever the continued practice of voluntary prayer is legally challenged, the courts seem to feel compelled to decide against prayer. Such decisions do not claim necessarily to be based on the merits of the local case, but on the precedent established by the majority opinions of the Supreme Court. This bit by bit prohibition of school prayers and Bible reading is applied to community after community throughout the nation with the certainty of inevitability.

The city of Hawthorne, New Jersey, provides an illustration of this process. The school board of Hawthorne, which had previously permitted prayer and Bible reading in the schools of its district, decided that the Supreme Court's opinions did not apply to Hawthorne. No legal challenge to the board's decision arose from the community. However, the Attorney General of the State of New Jersey, acting on the precedent of the Supreme Court's decisions, imposed his objection to Hawthorne by taking the school board to court and winning a decision, compelling the board to discontinue school prayers. Hawthorne learned that the Supreme Court's decisions *are* considered the "law of the land" and *do indeed* apply to Hawthorne, regardless of the desires of the people of Hawthorne.

Similar illustrations could be made. The point is that a national prohibition of school prayers and Bible reading has abolished the freedom of American communities to decide for themselves whether or not they will permit prayers in their own schools.

Gentlemen, I wish to suggest that a national prohibition of school prayers is undesirable. Our nation is composed of 190 million citizens who come from varied religious backgrounds. They hold to differing views on religious exercises in public schools and elsewhere. Total prohibition of prayer in schools is *only one* of those views. Currently that view—prohibition of prayer—enjoys that privileged position of national government support, backed by the police power of the state. Such support of one view above all others on a national level unwarrantedly interferes with the freedom of citizens in all parts of the nation to determine how they shall exercise their religious views.

The proposed constitutional amendment now being considered by this Subcommittee would explicitly lift the national prohibition of prayer. It would thereby immediately restore the freedom for communities to decide whether or not to permit prayer in their schools.

If and when the Senate is permitted to come to a vote on the proposed constitutional amendment, it can vote only one of two positions. (1) A two-thirds majority supporting the amendment would approve the position that the process of terminating the prohibition of prayer should be initiated. On the other hand, (2) defeat of the amendment would support the position that the national prohibition of prayer should remain in force.

Thus, approval of the proposed amendment would assure that no one religious view would enjoy federal government support over another. It would mean that people in their own communities could decide the matter for themselves, making use of the channels of policy-making available to them.

On the other hand, defeat of the proposed amendment would be tantamount to the Senate's asserting that only one religious view on school prayers may stand in America. No differing practices would be permitted anywhere in any community in any part of the country under any circumstances. School prayers would be forbidden everywhere; no school or community could choose to follow any other position.

Yet the evidence continues to demonstrate that Americans overwhelmingly do favor another position—namely, the freedom to pray.

The Senators have repeatedly heard opinions from their constituents concerning school prayer and Bible reading. They—and all of us—have seen the numerous polls which consistently show that as high as 80–90% of the American people want prayer and Bible reading in the schools. During the last three years in community after community individuals and groups coming from all walks of life have clamored for the freedom to pray. The governors, the nation's mayors, teachers, politicians, civic organizations, veterans groups, parents clubs, garden clubs, religious groups—all have asked that the prohibition be lifted and that they be free to decide in their own community to pray or not to pray.

However, one group of people has appeared to be in opposition to prayer—and that is the clergy. The official organs and the spokesmen for a number of church groups with imposing names have done much to create the impression that ministers oppose prayer in school for reasons which they are quick to list.

Many of us Protestant ministers found it difficult to accept the proposition that American ministers opposed school prayers and Bible reading. We began to suspect that a false impression that ministers opposed prayer had been created artificially. Many of us discussed this disturbing problem and felt that it was time for ministers to demonstrate that clergymen do in fact favor voluntary prayer and Bible reading in the schools. We were given the help of International Christian Youth-USA, a national Protestant youth organization, which in previous years had done much to make known the nation-wide support of school prayers.

Today, I have in my hand to present to this Subcommittee the names of nearly four thousand Protestant ministers from more than seventy Protestant denominations and all fifty states who constitute the informal committee known as Protestant Ministers for School Prayers and Bible Reading.

We four thousand ministers have readily and quickly endorsed a statement expressing our convictions. I should like to present our statement to the Subcommittee:

"As a Protestant minister, I wish to state my firm conviction that, due to recent Supreme Court decisions, provision now needs to be made in the United States of America for individuals, on a voluntary basis, to be free to pray and to read the Holy Bible in our public schools and, in general, to recognize Almighty God in the public life of our Nation."

Additional signatories are being added at a rapid rate; we estimate that Protestant Ministers for School Prayers and Bible Reading will double within a very short time. The work of Protestant Ministers for School Prayers and Bible Reading actively dispells the impression—created by the staff members of some church organizations—that American clergy oppose prayer.

As you well know, most ministers meet with a congregation of people at least once and often several times a week. Others, such as myself, are professors in colleges and seminaries where we meet regularly with the brightest young minds of our churches. We ministers are in a position to know the opinions of our people in our churches, our schools and our communities.

Before the Senate, either through this Subcommittee or the body as a whole, decides not to approve the proposed constitutional amendment, it should be reminded of these opinions of so many of the American people, including the ministers.

The Senate has the opportunity to set in motion a process by which the freedom of

decision on school prayers may be restored to American communities, school boards and school systems. The Senate, joined by the House of Representatives, may submit the amendment to the people for their ratification through their state legislatures.

I submit that each community needs to be free to make up its own mind, making use of the normal processes of policy-making available to it. Let the people of Ephrata, Pennsylvania, determine a policy which differs from Brooklyn if they will. Let the people of Chinatown, San Francisco, differ from Fort Wayne, Indiana, if they will.

Let us not require national conformity to any one particular religious view on school prayers, but let the American people decide for themselves in their own communities what position they will take. Prayer is far too personal a matter and religious convictions are far too diversified for the Supreme Court or any other national body to require national conformity to one religious view or another.

Gentlemen, permit me to draw an analogy from our nation's history. Scarcely a generation ago this country experienced another national prohibition—the prohibition of "intoxicating liquors." Large numbers of people who held strong convictions against alcoholic beverages managed to compel all of the people of the United States to conform to their particular view of liquor. All Americans were prohibited from manufacturing, selling, transporting, importing, or exporting liquors. The police power of the state was expressly brought to bear on those who did not share the established view of prohibition.

For more than thirteen years this national prohibition existed. Then in 1933, after many years of confusion and disturbance the prohibition was removed by means of a constitutional amendment. The American people through their Congress and their state legislatures expressed the opinion that a *national* uniform policy of prohibition against liquor was undesirable. They believed that the question of whether or not communities or states should permit the manufacture, sale, or transportation of liquor should be determined freely by the communities themselves.

In the years since 1933 communities have solved the problem for themselves. Some have chosen to prohibit the sale of liquor within their boundaries while others have permitted it. The people of Ocean City, New Jersey, have chosen a policy different from that of New York City. The people of Gainesville, Texas, differ from Chicago.

The moral of the story is this: while liquor and prayer, of course, differ, the principle underlying the removal of the two prohibitions is the same—the freedom of community decision rather than national prohibition.

Let us remove the present national prohibition of prayer.

Gentlemen, permit me to close by reminding you that prayer is simply the recognition of God. As Americans we all share in a wonderful religious and cultural heritage which is rooted in our acknowledgement that God does indeed govern in the affairs of men. Countless institutions of our nation, as well as its every coin, demonstrate the fact that the United States as a nation does even today recognize God in its public life. I personally as a Chaplain in the United States Army stand in testimony of this fact.

I ask that you take the action which will permit the American people once again to acknowledge and offer voluntary prayer to God in our public schools.

I ask that you take the action which will again legally permit our little children in a public school kindergarten to be free to thank the Creator for their milk and cookies.

I ask that you take the action which will differentiate us from the Communist countries in which one who offers a prayer to Almighty God in a public school might be subject to arrest by the state.

I ask that you take the action which will again permit this God-blessed nation to discharge the obligation of gratitude which it has to the Almighty. In the words of the first inaugural address of George Washington, "No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of men more than those of the United States" (30 April 1789).

I ask that you take the action which will make our school children just as free to begin their days with prayer, as are the members of the United States Senate.

I ask, on behalf of the nearly 4,000 American ministers who have already endorsed our statement, that you "Let my people go" to be free to recognize Almighty God in the public life of our nation.

Thank you.

CREDIT UNIONS MEET CHALLENGE OF ALLIANCE FOR PROGRESS

Mr. MONTOYA. Mr. President, as the Alliance for Progress observes its fifth anniversary, one of the bright spots in this vast cooperative hemispheric effort is the outstanding growth experienced by the credit union movement.

This grassroots approach to economic growth and social justice has literally worked miracles in many Latin American countries since that day in 1955, when under the gentle prodding of an American Maryknoll missionary. Father Dan McLellan, a handful of natives of Puno, in the Peruvian Andes, collected $28 to establish the first credit union in that country. From that $28 was to grow the biggest credit union system in Latin America. Peru now boasts over 530 credit unions with 215,000 members having a net savings of $21.5 million and cumulative loans of nearly $60 million.

Thousands of low-income families in Latin America are experiencing the thrill of being able for the first time to buy and build better homes; get good drinking water; develop sewage facilities; and buy seeds, fertilizer, and farm implements to produce more and better food. These benefits are the results of joining resources through credit unions.

President Johnson, in his 1966 special message to the Congress on foreign aid, pinpointed the importance of self-help. He said:

> I recommend a Foreign Aid program to help those nations who are determined to help themselves.

We know that without self-help and mutual assistance, both on the public and private levels, as governments and individuals, the goals for social justice and economic development established under the Alliance for Progress cannot be achieved. After all, we as a country can only provide a small margin of the human and material resources which are needed for development. The major effort—the will, the leadership, the hard work, and even most of the resources—must come from the nations and the peoples involved in this "vast hemispheric effort."

A prime element of self-help is to be found within the people themselves. Alliance nations are demonstrating an increased will to encourage conditions which stimulate their own people, to undertake new and expanded private initiatives.

When the Agency for International Development started to assist in the credit union field in Latin America in September 1962, there were only 430 credit unions with a little over 100,000 members with savings of $4.2 million. Their total loans were just $4 million.

Recent figures show startling growth. There are now some 2,000 credit unions in 12 Latin American countries. These organizations take in nearly a half million members with net savings of $31 million. More important still is the fact that these credit unions have extended loans totaling $87 million.

This rapid development has brought with it the promise of better living standards, broadened concepts of democratic action on the grassroots level, and perhaps most important of all, the development of the sense of responsibility necessary for decisionmaking by the people themselves.

Innumerable stories can be told of how credit unions have changed the lives and the outlook of thousands of humble and industrious people in Latin America. These people, farm and city dwellers alike, were formerly subject to usurious interest rates, such as the street merchant of a small jungle town who had been compelled to pay 10-percent interest a day for money to buy produce for his market stall. The same man today can borrow for 1 percent a month, thanks to the establishment of a credit union.

One of the most illustrious cases of how the formation of a good credit union can change the lives of people is that of Iquitos, a steamy jungle town on the headwaters of the Amazon River in the Peruvian jungle. Iquitos had its heyday during the rubber boom 50 years ago. With the collapse of the boom, traffic almost stopped with the outside world. Within the last 10 years the city has made a spectacular comeback, due in large measure to the formation of one of the biggest and fastest growing credit unions in Latin America.

In 1960, under the guidance of two forward-looking Peruvians, one a parish priest, the Nuestra Senora de Fatima Credit Cooperative of Iquitos was founded with each member paying 300 soles—about $12—a year, in order to be active and eligible for a loan. Membership mushroomed, as the people of Iquitos saw how their new joint cooperative venture covered a multitude of family needs.

People in all walks of life reaped benefits.

A fish peddler in the public market who had lived in a hovel was able to save and borrow enough to build a house.

A jungle worker who often pledged a large share of his future earnings in exchange for supplies and equipment now pays 1 percent a month for a loan to cover his needs.

A teacher, isolated through the rainy season in a jungle school, who previously had to pay a money lender 100 soles a month to collect his paychecks, can have the credit union do it for 10 soles and earn interest on his money at the same time.

The Agency for International Development—AID—has played a key role along with the U.S. financed Social Progress Trust Fund of the Inter-American Development Bank in backing these "self-help" programs in Peru and other Latin American countries. Soon after the birth of the Alliance in 1961 the Social Progress Trust Fund provided Peru's National Credit Union Association with a loan for $1 million for use in financing home purchases by its members.

Much of the credit union activity in Latin America has centered around the crucial area of home building. "Seed capital" from long-term loans has made possible the construction of thousands of homes throughout Central and South America. Two Peruvian savings and loan associations, El Peru and El Pueblo have received financial assistance for $1 million each for their successful programs of financing home construction.

Although not quite as spectacular as Peru, growth in other countries has been encouraging. Colombia has established 444 credit unions; Ecuador, 188; Bolivia, 156; Costa Rica, 102; Brazil, 99; Venezuela, 98; Guatemala, 78; El Salvador, 73; Honduras, 71; Panama, 70; and Nicaragua, 49.

In Honduras, the average savings per member of the credit unions represent 10 percent of the per capita income. Most of the credit unions in Honduras are in rural areas and loans are granted predominantly for agricultural production, the major loan categories being fertilizers, seed, and implements. Thus, these new savings institutions are deeply involved in the pursuit of the major Alliance for Progress aims of incorporating millions of poverty-stricken farmers into the mainstream of economic life while contributing to the increased production of food for internal consumption. Along with other measures, the establishment of these credit unions is helping diversify production and stabilize national economies, and at the same time provide more purchasing power to rural and urban low-income groups.

The formation of credit unions is also contributing to the development of a new, community cooperative spirit. In one community all class barriers were broken when humble market women, teachers and professionals, military and civilian authorities including the Governor and mayor, joined the credit union. With a common goal, they are now working together well and without friction.

Another community was so politically divided that one faction would not ever speak to the other. An invitation to an organization meeting was sent out and 125 people attended, including members of both parties. After listening to the objectives of the credit union, not only did they begin talking to each other but decided to cooperate and do something to help themselves.

I believe that these case histories, and many more which could be cited, demonstrate democracy at work. Likewise, they point out something which is at once enlightening and encouraging—that the Alliance for Progress is working and achieving palpable progress at the grassroots level, creating the desire for betterment through self-help among the people.

Although the desire to organize for self-improvement is dormant in most human beings, it often take encouragement and proper guidance from knowledgeable leaders to achieve action and results.

Therefore, the United States, through its AID program is providing education and training programs, basic to sound growth at local, country, and regional levels. The U.S. Credit Union National Association—CUNA—through a contract with AID operates a training center for credit union leaders in Lima, Peru, which services other Latin American countries as well, and provides other assistance to the credit union movement. Hundreds of credit union officials have received advance training through the Lima training center.

The Credit Union National Association estimates that by 1970 more than 3,000 credit unions will be operating in Latin America, with approximately 1 million members and $32.5 million in capital.

It takes a lot of plain hard work and commonsense to found credit unions where nothing but poverty and mistrust existed before. But as human and legal obstructions were met and overcome, and the credit union began to prove itself, it was discovered that the people did have some money.

It began to literally come out of the ground, from mattresses and other hiding places, and as it did, the people realized for the first time that it could be made the tool of man. These nearly successful attempts at organizing credit unions inspired similar groups throughout Peru, and other neighboring countries.

After all, if the poor of Puno—one of the poorest and most desolate areas on earth—could create an institution which would enable people to finance the first X-ray machine in the area, schoolbuses for their children, houses of concrete to replace floorless huts, and a variety of other benefits, why would not this same cooperative self-help work in other areas?

A major step forward in the credit union movement of Peru, and other countries has been organization on a national level. In 1958 the Peruvian system was given a big boost with the establishment of the Peruvian National Federation of Credit Cooperatives. The adoption of standard bylaws and accounting procedures and reduction of the time necessary for legal recognition made further rapid expansion possible.

But as is usually the case these impressive gains were not lost on competitive organizations. In 1961 another great step forward for Peruvian credit unions took place in the formation of the Peruvian Central Credit Cooperative in 1961.

Alliance for Progress "seed" capital made available to this organization through the Social Progress Trust Fund was helpful in providing cash for some of the credit unions threatened when their enemies tried to start runs.

Although Peru's credit union movement is not necessarily the oldest in Latin America, it is certainly the most successful from the standpoint of numbers and physical achievements.

A leading U.S. cooperative finance specialist has pointed out that for every $1 in technical assistance costs for credit union development in Latin America, $20 in new capital has been mobilized and put to work during the first year.

It is an ironic fact but true that those who are least able to pay must always carry the heaviest burden of credit costs. This situation is partially remedied through credit unions which charge reasonable rates, while setting a pattern for other lending institutions and developing the habit of savings.

It is worthy of note that the very first item on the action program of the Alliance for Progress adopted by the Inter-American Economic and Social Council of the Organization of American States last March in Buenos Aires reads as follows:

> To stimulate the growth and mobilization of private savings, by means of national policies that will make it possible to strengthen capital markets and to eliminate the legal or institutional obstacles that affect their establishment, where they exist.

The Alliance for Progress, as we all well know, is the cornerstone of our foreign policy with Latin America. I would submit that one of the cornerstones of the Alliance is the credit union movement.

As Assistant Secretary of State for Inter-American Affairs, Lincoln Gordon pointed out recently:

> We see the objectives of development and democracy as indivisible.

The credit union movement represents the democratic process par excellence in its many operations. Credit unions are controlled, owned, and operated by the people in the community for their own benefit.

It is my opinion that they hold one of the brightest promises for the future of Latin America, and that their eminent success is a tribute both to the Latin Americans and the individuals and programs of our Government which are assisting in their formation.

ESTABLISHMENT OF NATIONAL CRIMINAL JUSTICE ACADEMIES

Mr. KENNEDY of Massachusetts. Mr. President, in the first session of this Congress I proposed in the Senate the establishment of national criminal justice academies at a number of law schools throughout the country. I made this proposal because I felt that we cannot overcome crime in this country until we know much more about it, and until we have trained many more people to work in the fields of crime prevention and criminal justice.

At the request of the Attorney General I referred my proposal, S. 1288, to the Crime Commission for active consideration. It is my understanding that

this proposal is currently receiving close attention at the highest staff levels.

Since I made the proposal last year, I have become even more convinced that we need this type of approach in our nationwide battle against crime.

The appalling growth of crime and delinquency in recent years in America is a subject of increasing concern to all of us. The crime rate in this country has doubled since 1940 and this rate seems to be increasing, especially in crimes of violence and offenses connected with narcotic drugs.

This growing lawlessness has an enormous impact on the daily lives of our citizens, and indeed on the very quality of life in our society. The cost of crime runs into tens of billions of dollars annually; indeed, it is estimated that we spend more than $5 billion a year on the system of criminal administration alone. And the human costs of crime, both physical and psychological, are so staggering and complex that they cannot really be computed.

The first responsibility of government, as Thomas Hobbes observed centuries ago, is to maintain law and order, and to insure the individual citizen's personal protection and security. When we look at the mounting lawlessness in our land, we must admit that we are not adequately meeting that responsibility.

There are many reasons for our failure: the lack of any effective controls over the weapons of violence; the existence of slum ghettos which breed disrespect for law and the violence of anger and dispair; and the inability of our correctional systems to rehabilitate and rescue lawbreakers from a life of repeated crime.

But even more generally, there has been a growing awareness that, in one way or another the traditional processes of our criminal justice system—from law enforcement, through the courts and on into institutional treatment, probation and parole—are simply not performing adequately. More crimes are committed, fewer criminals are apprehended, the rate of recidivism among those apprehended is increasing. It was with this in mind that President Johnson last summer appointed a National Crime Commission to study all aspects of the process of criminal justice, and to make recommendations for the overhaul of our entire system—a grand strategy for a national attack on crime and delinquency.

The Commission, composed of distinguished citizens and excellently staffed, has worked for more than a year. Its report to the President is due in January. But there are indications that the Commission's recommendations, eagerly awaited by all of us, will be tentative rather than definitive, that its report will reveal only the existence of an iceberg, not describe it, and that, therefore, we are barely at the beginning of an overall program to fight crime.

There is a good reason for this. As the Executive Director of the Commission, James Vorenberg, candidly admitted in a recent speech at Harvard Law School, the Crime Commission's major problem is ignorance.

The sharpest shock—

He said—

has been discovering the extent to which we lack even the most essential knowledge about crime and the degree to which we make do with untested assumptions, myths and oversimplifications.

There are many forces standing in the way of an overhaul of our criminal system . . . But the most powerful inhibiting factor—and the one which reinforces the others—is ignorance.

The truth is, as the Commission has discovered, that after all these years we still know astonishingly little about crime, its causes, its incidence, and its prevention and cure. We don't even know, for example, how much crime exists in this country. We do know that the existing methods of crime reporting are woefully inadequate—so much so, that it has been recently estimated that the true incidence of crime may be as much as ten times the incidence actually reported. And, of course, this means that we are equally ignorant about how the total volume of crime breaks down into its component parts.

This ignorance has serious implications. It means we cannot really diagnose the ills that cause crime or rationally allocate our resources to fight various types of crime, or even evaluate the results of the policies we presently follow throughout the criminal justice process. At present we simply have no adequate way of measuring how effective any particular crime prevention techniques may be, and of course, no means at all for measuring its effectiveness against other techniques to which we might allocate our limited resources.

Attorney General Katzenbach also emphasized this point in a recent speech to the National Symposium on Science and Criminal Justice:

As Attorney General of the United States in an age of space, I have been amazed by the fact that we only dimly know even the extent of crime in America.

The FBI has long been the world leader in the compilation of crime statistics and Mr. Hoover has worked unrelentingly to improve both the sources of information and the training of all law enforcement officers along the same superior and professional standards of the FBI.

But Mr. Hoover and all those associated in the tasks of law enforcement have long recognized that there are serious vacuums. Unreported crimes are widespread. The margins of error in local crime reporting systems may even be great enough as to raise fundamental questions about how we allocate resources to the whole criminal enforcement machinery. Nor are police really able to measure their effectiveness without a fuller and more accurate range of data.

We face the same problem in our courts. The judge, throughout the process from arraignment to sentencing, must make a host of decisions, each critical to the effective administration of justice, without any real factual basis for knowing what the effect of such decisions will be, either on the person before him or on others.

The Supreme Court recently handed down a landmark decision in the Miranda case involving the admissability of confessions. It required police to warn a suspect of his right to remain silent and to have a lawyer before submitting to interrogation.

Even since the Supreme Court decision in Escobedo 2 years earlier, the question raised by the Miranda case has been the subject of great public debate. The Justices were asked to balance the defendant's right to be free from self-incrimination against the public's interest in effective law enforcement. But despite all the debate and controversy, when each individual Justice sat down to his task in Miranda, he totally lacked the facts necessary to strike this balance in a knowledgeable way. He lacked data on the extent to which confessions are necessary for convictions, or the extent to which the new rule would inhibit the making of confessions in the future, and he had even less of an idea of the extent to which criminal convictions have a deterrent effect on other crimes. In short, however he decided, he was making at best an educated guess.

The problem confronting the Justices in the Miranda case is the same problem confronting policymakers throughout the spectrum of the criminal justice process. Until we confront this problem of our ignorance directly, we cannot expect to be able to come up with effective reforms in the field of criminal justice, or to mobilize community support for them.

There is no doubt in my mind that we have the resources to overcome our present ignorance about crime. But it will require placing a new emphasis on research in this area—an emphasis comparable to the effort we have made in space and health. The Federal Government presently spends some $23 billion a year on research, almost $1 billion on the National Institutes of Health alone. Yet the present Federal research in the criminal field is only some $13 to $15 million annually. This is simply not enough. We must provide for the field of criminal justice the same sort of focus and leverage that we provided in the mental health field with the creation of the National Institute of Mental Health. And we must upgrade the importance, in the public mind, of work in the criminal justice field, to attract to every part of that field people of ability to administer the system and to do research about crime.

I think that establishing national criminal justice academies could provide the kind of focus we need.

The establishment of such great regional centers for research, education, and training in all aspects of the criminal justice process could, in my judgment, make a major contribution to our war on crime.

It would dramatize, and if you will, glamorize, the importance of research in this area, thereby serving to bring forth and bring together the intellectual resources necessary to illuminate these areas of darkness. It would increase the

social respectability and prestige of a career in the field of criminal justice, and it would provide the training ground for the great increase in middle-management personnel which are needed to properly administer the criminal justice system.

Up to now the Federal Government has not provided States and local governments with the level of assistance for training in law enforcement administration that is needed. In fiscal 1967, for example, the Federal Government has budgeted $395 million for training support for State and local educational personnel. The analogous figure in the criminal justice field is less than 2 percent of that, some $6 million. Yet a host of new and challenging jobs is springing up—in neighborhood community service centers, in the corrections and parole fields, in the areas of youth corrections and narcotics rehabilitation and of course on the front lines, as lawyers in criminal practice.

In the corrections field alone, a recent study by the Institute for the Study of Crime and Delinquency indicates an appalling shortage of skilled personnel. Of the 46,000 employees in State correctional institutions, the study reveals that 67 percent were merely custodial personnel, and only about 1 percent were involved in rehabilitation and treatment. Although the American Corrections Association recommends that there be at least 1 treatment staff member for every 40 prisoners, the present national average is 1 to 180 and 11 States have greater than 1 to 500.

When you consider these statistics, it is a small wonder that our prison systems have been so unsuccessful at rehabilitation, and that the rate of recidivism is so high. Unless we find ways to train people for the creative jobs which are required to have an effective corrections system, "corrections" will continue to be no more than euphemism for isolation.

Mr. President, the establishment of a number of great regional centers for research and training in the criminal justice area would awaken the Nation to the importance of work in this field. It would attract able people to careers in criminal justice, and it would make possible the intensive and wide-ranging research effort that is necessary if we are to learn enough about crime to combat it successfully.

I am hopeful that the Crime Commission will recommend the enactment of Federal legislation to establish centers of the kind I propose, and that Congress will implement that recommendation in the next session of the Congress.

PROGRAM OF THE INTERNATIONAL RICE RESEARCH INSTITUTE IN THE PHILIPPINES

Mr. MONDALE. Mr. President, I was delighted to read in a recent issue of the Saturday Review an article by Paul Deutschman, outlining the efforts of the International Rice Research Institute in the Philippines to increase rice yields through developing improved seed varieties and more effective farming techniques. It is a chronicle of a most impressive program—one financed by our Ford and Rockefeller Foundations—a program which should be emulated by other developing countries.

As the sponsor of the foreign aid amendment adopted by the Senate last month to increase emphasis on adaptive agricultural research in hungry nations, I hope that our aid administrators will take a close look at the record of this Institute, and work with other developing nations in setting up similar research centers. There is encouraging evidence, I might add, that they are moving rapidly in this direction.

Mr. President, I ask the unanimous consent of the Senate that this article from the Saturday Review be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IRRI FILLS EMPTY RICE BOWLS

(By Paul Deutschman)

(Paul Deutschman, a free-lance foreign correspondent based in New York City, has been foreign editor of Life, a Marshall Plan and U.S. foreign aid consultant, and a special assistant in the State Department. He is now writing a book on emerging patterns of the private sector's involvement in foreign aid.)

Christmas week of 1964, rice-planting time in the Philippines' Laguna Province, a sixty-three-year-old Filipino farmer named Francisco Sarmiento made the most important investment of his life. At a cost of 110 pesos ($29), approximately one month's income, he bought six sacks of fertilizer that had been tested at a remarkable place called the International Rice Research Institute. Known as IRRI (pronounced as Erie), the institute is located at Los Baños, on Luzon, the main Philippine Island. It is run by two large, private American foundations, Rockefeller and Ford, with the very active cooperation of private industry and ten Asian governments.

On instructions from a salesman from the new Esso plant at Bataan, Sarmiento carefully roped off a one-hectare (2.4 acres) plot of land. Here, he planted his ordinary seed, as on the rest of his ten acres. He then tended both plots in the same way he had always done, except that he injected four sacks of Institute-tested fertilizer into the newly harrowed, roped-off "demonstration plot." And, three weeks before "booting" (the time when you can see the rice grain forming), he added two sacks of another chemical nutritive. IRRI scientists, after year-long tests, had recommended this procedure for land like his.

When harvest time came on April 14, some 110 people—neighboring farmers, local dignitaries, and small "agro-industry" businessmen—gathered at Sarmiento's rice paddy to see the results of this bold new technique. What they saw caused runs on the loan departments of nearby rural banks. The demonstration plot yielded 4,825 pounds of rice per acre, compared to an average of 2,310 pounds per acre for ordinary farm land. This was an increase of some 110 per cent—and a 277 per cent increase over the national average rice yield.

Thus, for every peso spent for fertilizer, Sarmiento got a return of 14 pesos—a profit of $52 an acre. At next planting time, therefore, he used this new fertilizer technique on his entire farm. Many of his neighbors followed his example, and throughout the Philippines, thirty-nine other farmers who had started demonstration plots like Sarmiento's won equally enthusiastic converts. When they are able to obtain seeds of the new rice varieties that IRRI has developed, their production will go up even more.

Few Americans can conceive of what rice means to the almost two billion people of Asia. Two of every three Asians depend on rice for almost their entire food supply. Three of every five Asians spend all their working hours either raising or distributing rice. Moreover, Asia's population is increasing by almost 1,000,000 persons every week. This—ignoring effects of energetic family-planning programs now under way—means that that an additional 10,000,000 tons of rice will be needed every year just to feed Asia's populace at the present inadequate level.

Swaying emerald blades of rice cover 12 per cent of the earth's cultivable land—one of every eight-and-a-half acres. Tens of billions of seedlings are planted annually. Average annual consumption of rice per Asian is 200 to 400 pounds.

Rice is basically a carbohydrate and energy-building food, and the Nepali porter trudging up Sawtooth mountain or the Indonesian farmer bent under the noon sun fortifies himself with charges of energy when he eats rice. It is quickly cooked, and almost 100 percent digestible; there is no waste in this completely consumable food. But there is never enough.

It was to find ways to overcome all this that IRRI was founded in 1962. It cost $7,500,000 to set up and it costs an additional $1,400,000 each year to run. Expenses are shared on a fifty-fifty basis by the Ford and Rockefeller foundations. Management, however, rests entirely with the Rockefeller Foundation.

Basically, IRRI's function is educational—to make the first systematic investigation of every aspect of rice, and to provide an international training program for young scientists from all rice-producing countries, especially those in Southeast Asia. It is like a great university with a single subject in its curriculum: rice.

"Our real job here," said IRRI's director, Robert F. Chandler, a lean, incisive former dean of Agriculture, and later President, of the University of New Hampshire, "is very simply to learn how—and to provide the materials—to produce more rice to feed more people."

IRRI owns 200 acres, most of which are devoted to neatly plotted rice fields. Across the road from the fields, around a lush spread of fountain-splashed lawn, are the administrative buildings, laboratories, and greenhouses—all of them graceful, air-conditioned, low-slung, concrete-and-glass structures. The staff here totals some 500, about 400 of them "locals"—Filipino farmers, clerks, secretaries, and various maintenance men. All the rest are "scientific staff." Those include an average of sixty visiting scientists or scientists-to-be who are classified either as "scholars," "fellows," or "trainees." On the average, fourteen countries are represented on IRRI's staff. When I visited there last December only eleven were Americans, all assigned by the Rockefeller Foundation. The remainder, Asians, came from India, Pakistan, Japan, Vietnam, Korea, and the Philippines.

Trainees who come with any idea of keeping their hands unsoiled and learning about rice in labs or from the seat of a jeep parked alongside one of the soggy-bottomed paddies are very quickly set straight. "We always start trainees behind a carabao, out in the fields," Frank Byrnes, IRRI's communications director told me with a chuckle. "We find it's good for their character. About once every three days they are likely to come in and say, 'Why are we here?' But after a month or so, they get right enthusiastic about the procedure!"

IRRI's training program provides these young scientists with the opportunities to study and conduct research under the guidance of senior staff members. They spend

from six months to two years at IRRI, living in a plush, three-story dormitory that resembles a small tropical Hilton. Some of them enroll as graduate students at the College of Agriculture up the road. There are fifteen departments at Los Baños including entomology, agronomy, soil chemistry, and agricultural economics. So far, in four years of operations, IRRI has "processed" some 135 trainees. All of them go back to their native universities, agriculture ministries, or farm-extension bureaus, their hands hardened with toil, their notebooks crammed with newly discovered facts and figures, their minds humming with new, practical ideas.

The first and most basic project undertaken was perhaps the most practical of all. It's still going on and will probably continue as long as IRRI exists. It consists of cataloguing every known strain of rice in the world.

With Frank Byrnes I went into the sprawling service building, to the special glass-walled area guarded like the Queen's jewels by attendants in white coats—most of them pretty Filipino girl graduates of the nearby agricultural college. Behind a refrigerated vault I saw rows of small tin boxes. Each contained hundreds of seeds of each strain, carefully kept at zero degrees centigrade. "We have over ten thousand different rice varieties from seventy-three countries," Byrnes said.

All these rice varieties, he explained, are tested in the labs and on the experimental farm, then shipped all over Asia for testing under varying local conditions. The Luzon experimental farm, for example, where all the practical field-testing goes on, is divided into some 200 one-acre plots. Each plot contains an elaborate underground irrigation system of concrete pipes. These allow the fields to be flooded, dried out, or given any amount of water that a particular project requires. Some duplicate the extraordinary growing conditions of mountainous areas such as the Ifugao rice terrace north of Manila, the oldest rice field in the world. Others recreate conditions of the monsoon regions—such as the Ganges River basin, the Mekong delta of Vietnam, and the low-lying "rain-barrels" of Sumatra and Ceylon—where land is submerged six months a year. Soils from all over Asia are tested.

Perhaps the most dramatic of IRRI's projects is the creation of improved varieties of rice through hybridization.

"We're in process of actually changing the architecture of the rice plant," Bob Chandler said.

The major aims of the plant-breeding program are: 1) to produce higher yielding varieties that will mature more rapidly than present strains, thus permitting farmers to raise up to three crops a year instead of the characteristic two, and 2) to produce disease- and insect-resistant types. In the search for these qualities, uncounted numbers of fertilizations and cross-fertilizations have been tried out in the labs, then discarded or transferred to the test plots, then refined, improved upon, painstakingly recrossed, and retested. Varieties of the *Indica* family are doing best so far. The scientists have fifty new plant breeds crossing dwarf and standard *Indica* varieties. When there is enough seed, it will be made available for testing in various parts of the world.

In addition, an entire batch of projects is devoted to the nutritive qualities of rice. In the main laboratory building, I visited the antiseptic-looking shop where biochemists and home economists continuously cook various kinds of rice and test such qualities as the protein content, taste, cookability, and degree of agglutination.

"Taste preferences are a big problem," I was told. "Often, you hear of people who will go hungry rather than eat something they're not used to. We've brought in some rices from Taiwan that grow tremendously well here—but Filipinos won't eat them. They 'cook down' too hard for local tastes. Some types vary from 7 to 16 per cent in protein content. This is a big problem in some countries where they do not get enough protein. Therefore we would like to get people to eat the higher protein-content rice types. But we have to be realistic about it. We'll probably have to breed high protein content gradually into their own local rice strains."

In adidtion to the effects on nutrition, IRRI's pioneering projects promise to have an important influence on free Asia's economies. An inexpensive fertilizer applicator is being developed, for example, to be manufactured in the Philippines. Esso Standard Fertilizer and Agricultural Chemical Company has built a $30,000,000 fertilizer plant on Bataan with 380 local employes and 2,986 local stockholders. It is recruiting 600 independent local dealers to form a nationwide network to sell fertilizer, seed, and agricultural chemicals. Another company, wholly Philippine-owned, has invested $7,000,000 in a plant that is producing liquid fertilizer. Still another company, Union Carbide, has developed, as a by-product of chemical processes in which it was already involved, a new, highly effective insecticide against the rice-stem borer.

Small local businessmen, too, are beginning to profit by IRRI findings. For example, thirty-six-year-old Juan Ordoveza, a Cornell Agricultural School graduate, is now growing IRRI's most promising rice varieties on his own small farm, to sell certified seed on a mail-order basis all over the islands. "Some day," he told me, "I will be the Sears Roebuck of the seed business."

Governments also are making astute practical use of IRRI's findings. In India, new plants are under construction to produce fertilizer as recommended by IRRI. And in the Philippines, two provinces on Luzon, with the help of the U.S. Agency for International Development, are carrying out "Operation Spread" to build roads and bridges and to get farmers to use IRRI-tested fertilizer, seed, and cultivation methods.

Although IRRI's immediate audience is the scientific community, it keeps its eye constantly on the ultimate user of rice, the individual Asian farmer. Bob Chandler aims regular pep talks in that direction. "We're not magicians," he says. "But we want people to realize that they can get things done, too—if they dig in and get to work."

THE TASK OF THE GRANITE CUTTERS FOR THE GRAVESITE OF PRESIDENT KENNEDY

Mr. MUSKIE. Mr. President, last Sunday, President Johnson and Canadian Prime Minister Pearson laid the cornerstone of the new visitors center building at the Roosevelt Campobello International Park on Campobello Island, New Brunswick.

The granite stone was a symbol of the friendliness and cooperation of the occasion, because the cornerstone was a gift to the Roosevelt Campobello International Park Commission from the Deer Isle Granite Corp. of Stonington, Maine.

The corporation's gift was especially appropriate. The stone was cut from a quarry on the Maine coast which President Franklin D. Roosevelt loved to sail and swim when he vacationed at Campobello Island.

The gift was especially meaningful to me because the stone was cut from the same quarry and by the same men who are providing the granite for President John F. Kennedy's graveside, and because President Kennedy shared President Roosevelt's zest for Maine's coastal waters.

In last Sunday's Portland Sunday Telegram, a feature story by Columnist Bill Caldwell describes the men who have cut the granite for the Kennedy gravesite, their love of the "Kennedy job," and the hardships they have endured on the job.

I ask unanimous consent that Mr. Caldwell's story appear in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Portland (Maine) Telegram, Aug. 21, 1966]

MAINE COMPLETES A TRULY MONUMENTAL TASK

(By Bill Caldwell)

Twenty-five deadweight tons of dusty pink and gray granite will be loaded tenderly onto a lowbed trailer truck at Stonington in the next few days.

The last 50 such trailer loads, it will include the final inscription stone to wend its way from its birthplace, tiny Crotch Island in Penobscot Bay, to its last resting place, the gravesite of President John F. Kennedy in Arlington, Va.

This last load, like the others that have gone before, will carry with it the pride of the 100 men who have quarried it all—a total of 1,500 Maine stones together weighing more than 2 million pounds.

But it will leave behind a very special kind of sadness; the sadness that comes from completing a truly monumental job.

There is a gaping hole now in the stone skyline of rugged, majestic Crotch Island. From it has come 17 pyramids of granite, some weighing over 65 tons. On each are being cut words from Kennedy's inaugural speech.

There is a gap too in the lives of men like John H. McGuire, president of the Deer Isle Granite Corporation, a family business; and Robert J. Poitras, the chief cutter who began working granite almost 50 years ago as tool boy to his father.

And David Sturdee, the Stonington boy who once delivered Sunday Telegrams and is now chief draftsman; and Harold Brown, whose hands gave the final finish to each Kennedy stone.

And Alton "Moon" Dunham, who laid the dynamite charges to blast the rock; and Aldo Ciomei, construction boss at the new plant on the mainland, who has supervised the shipment of every Maine stone which will rest at the shrine.

Men like these began work on the "Kennedy job" in the bitter cold and deep snows of last December.

A small boat carried them on those biting mornings across the half-mile stretch of water from Stonington to Crotch Island where they slogged through waist-high drifts to get to the granite cliffs.

With drills and hammers and dynamite they hewed and blasted the granite that was needed, then with jet torches burning liquid oxygen they cut trimmed the giant rocks that had spilled from the cliff face.

For eight long months, the waking hours of the quarry workers have been filled with pain and pride, risk and reward, strain and satisfaction.

"The stones were too big to risk moving to the sheds," explains John McGuire, "so our best crews worked in the quarry itself right through the winter."

They continued through the spring, when wild flowers bloomed out from the still snow filled crevices in the granite. And through

the blazing summer, stripped to the waist, with throats parched and gritty from the heat and dust.

Now the proudest job in their lives is done. And its finishing leaves a hole behind.

The contract for the Kennedy gravesite was awarded Deer Isle Granite Corporation last November.

The Army Corps of Engineers, after close examination of granite quarries throughout the United States, had invited a handful to bid. Deer Isle Granite Corporation won the bid, and it's said that Jackie Kennedy came down to Crotch Island to see how the sun played over the granite before giving her final approval.

The Stonington company says it's done other jobs which may be bigger, but never finer. For example, the granite in Rockefeller Plaza comes from Stonington, as do the huge bases for New York's Triborough Bridge, as well as stone for the new Smithsonian Museum of Science and Technology in Washington and the Federal Court House in New York City.

"We are booked solidly for the next two years," says company president McGuire. "Granite is coming back as an architectural facing, replacing in popularity all that glass which has been the rage."

Deer Isle Granite has supplied stone for the Kemper Life Insurance building in Los Angeles, the Cleveland Museum of Art, even the United Brotherhood of Carpenters and Joiners' office building in Washington.

"But all of us felt the Kennedy job was a thing apart," says McGuire, whose own office building is a ramshackle yellow frame affair overlooking Stonington Harbor.

It is a barren kind of office: bare, wooden floors; pot bellied stoves and old radiators for heat; great, creaking sawhorses on which the enormous plans for the Kennedy gravesite are spread.

David Sturdee and "Swede" Olsen are the principal draftsmen. They drew the shapes for every one of the 1,500 stones which will dovetail into each other when they are in place at Arlington.

Each stone is numbered, and from the drawings Bob Poitras and "Moon" Dunham over at the quarry site chose the granite they had to blast. They pierced it and marked it out on the raw, beauteous hillside, then watched as crews drove in iron stakes, worked dynamite charges into the holes, and blasted.

Towering cranes etched the blue sky above. After blasting, they'd swing down to pick up stones which might weigh 100 tons untrimmed.

A tiny, old fashioned steam engine, wheezing from the wharf, through the meadows and wild woods, scattering deer and foxes, hauled up the jet torches and liquid oxygen cylinders, the asbestos suits and eye visors which the cutters wear.

Among the vast rock cliffs overlooking the isles of Penobscot, the cutters look like weird visitors from outer space. Over their protective headgear are worn earphones to help guard eardrums from perforation by the scream of the jet torches.

On the coldest, subzero days of winter there was always the risk one of the massive stones would crack from the intense heat of the torches. But the danger, ever present, never materialized.

Roughly shaped and trimmed down, each stone, perhaps weighing 40 tons, was loaded behind the little old locomotive and eased down Maine's shortest railway line to the old sheds on Crotch Island.

Scores of other workers there trimmed the pieces further with 12-foot power saws running under torrents of water. It can take a set of four sharp-toothed saws up to 13 hours' continuous work to cut through a large piece of granite.

Other skilled craftsmen "bathe" the stones with abrasives of tiny bee-bee shot whirling in a foaming spray.

Gradually, the stone reaches its precise curve, its precise degree of half-polish. Then it is crated and boxed.

Another crane picks it up and ladles it over to a high sided scow which is hauled by tug to the plant at Settlement where trucks load it and set out, at night, on the long journey to Arlington.

In Arlington new crews of young artisans take over. These are the young men who carve the inscriptions. Head of the small Newport, R.I., company chosen for this task is 26-year-old John Benson, credited with being one of the six finest caligraphers in America. In charge of cutting the lettering is 25-year-old John Hegnauer.

The letters are first painted on the stone, in the same method used by the Romans, then with carbide-tipped steel chisels these young men will carve 28 lines—some 300—words—into the 17 inscription stones.

The inscription stones comprise a third of the deadweight granite shipped from Maine. The remainder will be used to make up the walkways and the edging stones of the gravesite.

In years to come, over this island granite from Maine, millions of American feet will tread, walking in homage.

A little girl's shiny black pumps, side by side with her brother's scuffed sneakers; the flat, sight-seeing saddle shoes of a farm mother from Nebraska alongside the handcrafted footwear of the world's royal and political heads of state.

And the clomp of polished G.I. boots will ring out, while from the etched inscription stones will echo the sound of "taps" being played, as the whispered voices of a nation's people reads the words carved deeply into the stones hewn from the salt-sprayed granite made into a shrine by the men of Maine.

LAND REFORM IN LATIN AMERICA

Mr. TOWER. Mr. President, at the close of the 1950's several significant incidents served to focus American attention on the troubled situation, and in some senses deteriorating situation, which existed in Latin America.

The very active and disturbing presence of Fidel Castro in Cuba—with his announced aim of exporting subversion to the South American Continent—and the particular unfortunate disturbances which met Vice President Nixon on his official tour in 1958 generated concern about the course of Latin American affairs. Certain programs were initiated or agreed to by President Eisenhower such as Operation Pan America, the establishment in 1959 of the Latin American Free Trade Association, and to the establishment of the Inter-American Development Bank. In 1960, the United States participated prominently in a hemispheric conference from which evolved the Act of Bogota, a declaration which emphasized more significant self-help effort in Latin America directed toward the task of development.

With the advent of the Kennedy administration our commitment to the welfare of Latin America deepened. As both the language of the declaration of Punta del Este and the interpretive statements of American officials vividly attest, the Alliance for Progress promised to involve the U.S. Government to a very great extent in shaping things Latin American. Essentially, U.S. involvement was certain to arise, first, through provision of funds in unprecedented amounts, and second, by influence exerted through the planning process.

In terms of funds, the United States indicated that, under the Alliance program, it stood ready to provide, as needed, many billions of dollars in public funds over the 10-year period.

Among the several goals of Punta del Este the goal of agrarian reform loomed large.

Defining this primary objective, the charter launching the Alliance for Progress proposed:

> To encourage, in accordance with the characteristics of each country, programs of comprehensive agrarian reform leading to the effective transformation, where required, of unjust structures and systems of land tenure and use, with a view to replacing latifundia and dwarf holdings by an equitable system of land tenure so that, with the help of timely and adequate credit, technical assistance and facilities for the marketing and distribution of products, the land will become for the man who works it the basis of his economic stability, the foundation of his increasing welfare, and the guarantee of his freedom and dignity.

The United States, in ratifying the charter, agreed to the above definition. The Charter of Punta del Este forms the basis for our support of various goals to be achieved in Latin America, including agrarian reform.

Land reform had been initiated in several Latin American countries prior to the Alliance. In fact in Mexico the first attempts at land reform were initiated in the 1930's. Since the Alliance was launched 5 years ago, a number of other countries in the southern part of our hemisphere have launched land reform programs. Ample evidence is now available to evaluate the effectiveness of the program from a practical economic standpoint.

I believe that the facts will show that overall conditions and results do not warrant a continuance of the various land reform programs and experiments.

The classic pattern of land reform as proposed for most Latin American countries is that small tracts of land be awarded to applicants, selected more or less at random, who have previously had no experience in the management and operation of agricultural enterprises. It is little wonder, therefore, that a decrease in productivity has followed in most instances of land redistribution. Experience has shown that the simple division of estates among peasants means a reduction in food production, at least for a while. Such a program created a very serious situation in Bolivia, and the agrarian reform program in Cuba has been described as a shambles. Castro has made it clear that he will distribute no more land.

I would like to quote, in this context, from an address given at the University of Texas several years ago by Prof. J. W. F. Dulles, the son of the distinguished late Secretary of State:

> Together with the possession of a piece of land, a great deal is needed to make things satisfactory for a landowner and for the

economy of a country with hungry citizens. By using a combination of experience, new investment and new techniques, landowners in Latin America have increased food production by about 60 percent between 1940 and 1960. Many of them have done very commendable jobs. But in some areas the uncertainty about possible future reform has caused productive landowners to hold off from installing badly needed mechanical equipment. Furthermore in some regions the passion for quick industrialization has resulted in government monetary and financial policies which have been quite unfavorable for the agricultural sector. Some food shortages have developed and these have contributed to poverty and inflation. The need of further increasing food production is a serious problem in some places.

Statistics about Latin America are sometimes drawn up to show that a large percentage of cultivated land is held by a small part of the population. Sometimes I wonder what corresponding statistics would show for the state of Texas or for the United States. Or what would be the effect here of breaking up the large landholdings, or threatening to do so, with compensation to be in practically worthless paper.

Mr. President, several days ago we celebrated the fifth anniversary of the founding of the Alliance for Progress. Our commitment and our desire to assist in promoting hemispheric solidarity and a high standard of living is laudable. I believe the aims of the Alliance are worthwhile and I support our participation. But what concerns me, Mr. President, are some of our methods in the light of the results, or lack thereof, which are becoming apparent now that the Alliance has had a chance to prove itself. Specifically, I am concerned over the problems generated by land reform.

The problem of a reduction in capital outlays for agricultural equipment occasioned by the uncertainty of land tenure was noted by Professor Dulles. Increased productivity is one of the primary announced goals of the Alliance, Mr. President, but increased productivity per worker is possible only by reinvestment in capital goods such as farm machinery which will extend the labor of each individual worker. The effect of agrarian reform in this instance has been contrary to its aim.

Second, it is not difficult to understand why productivity has declined upon the parcelization of large holdings into the hands of those who have not had the opportunity to become expert in agricultural affairs. In a market economy, capital goods tend to accrue to those who have proved their ability to arrange the factors of production so as to satisfy the market through increased productivity. To the extent that land tenure was based upon the noncapitalistic arrangement of feudal holdings, then land redistribution, from a purely economic standpoint, may have improved productivity.

But to the extent that market situations prevailed in the various Latin American countries, experience has shown, I believe, that there is no economic benefit in transferring lands from more productive control to the control of those whose limited experience has not yet suited them for an expanded market role.

In the United States, we have seen over and over again the situation in which all of the members of a numerous family may be experienced in working the land and capable of holding an agricultural job, but only one member of the family is found capable of managing and holding together a productive agricultural enterprise. It is simply not consistent with human nature to assume that large numbers of inexperienced people can be transformed into successful operators of agricultural properties simply by being given a tract of land, even though they be supported for a time by government grants and government direction of their efforts.

Basic to the problems of Latin America is the lack of capital. Without capital in sufficient amounts there can be no adequate credit system. Without capital in sufficient amounts an economy cannot buy the tools and facilities required for industrial development, the creation of jobs, and the raising of living standards. In recent years some capital has been generated in Latin America through savings and some has been provided from foreign sources both government and private, but in Latin America, as in other emerging economies, the only source of rapid creation of capital lies in the development of land; that is, in bringing into production land which is not now productive. Unproductive lands, while having a potential value, are a poor source of credit and contribute little to the economy. Once put into production such lands provide a basis for financing further development, both agricultural and industrial, and contribute food and fiber to raise the standard of living and to liberate segments of the population for industrial activity.

The key to the economic development of Latin America is, therefore, the bringing into production of lands presently unproductive and every possible encouragement should be given to promote that end. It is an end which can be achieved not by government decree or even primarily by government programs, but only by concerted and continued effort on the part of substantial segments of the population who are given the opportunity under favorable conditions to develop new lands. One of the basic and essential conditions is the security of land tenure. Land development usually takes the investment of effort and money over a period of years and the returns are not quick. Unless there is security of tenure owners will not make the necessary investment in effort and money to accomplish the task and the general population will prefer to live in the great cities, keeping a shop or trading and producing relatively little for the economy.

Mr. President, it is not in creating markets, in channeling specific resources, in redistributing wealth that the political and economic salvation of Latin America lies. Building specific factories to divert national production to a variety of products, spending substantial sums to create jobs—laudable as these specific goals may be—do not constitute solutions to hemispheric problems. Introducing the factor of uncertainty into the present unsettled situation through confiscation of land is not the road to increased foreign and domestic investment in Latin America.

The solutions to the economic problems of Latin American countries lies in achieving an atmosphere of monetary and political stability and instilling confidence in the investor through real efforts to create a framework in which capital investments can grow.

Political acts of confiscation of privately owned property have inevitably been followed by a drying up of foreign capital investments in Latin America. If the people of Latin America are anxious to achieve a standard of living comparable to that in the United States, then they could take no more enlightened action than to make expropriation politically unpopular. Guaranteed land tenure is the place to begin.

A basic distinction must be drawn between programs aimed at encouraging the development of new land and programs aimed merely at subdividing the lands now productive. A program of subdivision may satisfy temporarily the demands of the comparatively few individuals who can be allotted portions of the subdivided lands, but such programs create no capital and, on the contrary, deter the development of further lands by destroying confidence in land tenure on the part of those who would devote their energies and substance to the development of new lands.

For our part in the United States, I believe that before making further commitments to aid programs, a fair and objective record of the costs and results of land reform programs should be compiled and thereafter kept current as a guide to our policy in this area.

I believe such a study would show that it is not because too much land is held in too few hands that the economy is not fully productive, but that too often governments have failed in their primary responsibility of guaranteeing sound currency, following anti-inflationary policies, observing property rights which includes not stirring vendettas against foreign or domestic capital, and creating stable political environments to attract investment. To a great extent radical politics is responsible for the flight of capital abroad which has occurred in Latin America. Only through an alliance of responsibility between politics and finance is progress possible.

For a good many years now land reform projects have been in operation in Latin America and it should be possible to draw up a balance sheet to show the cost of such programs in money and effort and their impact upon the production and the agricultural economies of the areas in which they exist. The principal capital of all Latin American countries lies in its agriculture and it would seem folly to pursue programs which have such far-reaching effects upon this capital without examining carefully the results of the ventures in land reform heretofore undertaken.

We therefore urge that such studies be made at once and that our Government not undertake continued support of land reform programs unless such a study indicates that they do in fact accomplish the objectives claimed for them at a cost commensurate with the results. If such a study should reflect that these ventures have not in fact produced worthwhile results at a cost justified by such results, then our Government should not continue to urge land reform and should instead support free enterprise-based programs aimed at increasing agricultural production and thereby raising the standard of living of the agricultural sector and improving the entire economic picture of Latin America.

If our Latin American policy is to succeed and we are to win the battle against communism in that area, we must adopt and pursue consistently a sound policy with regard to land use and tenure. In the Communist infiltration of Latin America the major weapon has been the espousal of land reform presented as a program for the subdivision and distribution in small tracts of lands presently developed and in production. The program has served the Communist's cause well in that it enables him to point to an asset the distribution of which appeals to large numbers of poorly informed people. In the longer range, the program is also attractive to the Communist in that if carried through it first destroys the resources of landowners who are in the forefront of the opposition of communism and it finally leads to a communization of agriculture rather than to an agriculture of small landowners as is pictured at the outset. The program, as the Communist well knows, is destructive of production in that it takes productive units which have generally reached a reasonable state of efficiency over years of development and subdivides them into units which in most cases are no longer efficient. The natural result, as we have seen in Cuba and in China, is that when the loss of production from excessive subdivision becomes apparent, the Communist is then in a position to insist upon a communal form of agriculture in which small ownerships are finally surrendered to the state and operated as parts of agricultural communes.

The Communist "land reform" program has the short range public appeal of distributing something for nothing, but its inherent weakness lies in its intrinsically destructive results. By contrast, the United States should adopt a constructive policy of supporting in every proper way programs aimed not at the destruction of presently productive operations, but rather at the development of production from lands not now in use. It has been estimated that in Latin America only about 4½ percent of the land is actually under cultivation and only about another 20 percent is in pasture. The criticism is often made that in Latin America too much of the land is owned by too few people. The fact is that it would be impossible for the small percentage of the land which is in production to be owned by a large percentage of the population without reducing the holdings to such small sizes as to be impractical. In the United States it is estimated that only 6 million people are employed in agriculture and this is more than is necessary.

The solution to the problem of having a larger number of landowners lies not in the subdivision of land now in production but in the development of new lands. The lack of such development stems not from the unwillingness of the owners of the land, much of which is held by the Government themselves, to see it developed and brought into production, but rather from the fact that the necessary capital, the necessary know-how and the necessary willingness to endure the sacrifices always attendant upon the development of new lands, have not been applied to such areas. If the United States adopts a policy of supporting programs which have as their aim the development of such lands, then we should energetically and clearly point out to Latin America and to the world the destructive nature of the Communist concept of land reform and by contrast the constructive nature of our own policy, pointing out particularly that the Communist program inevitably leads to the loss of private land ownership by all landowners, large and small, while our policy offers a broad opportunity for land ownership by all who are willing to work the land.

The security of land tenure which is inherent in the policy suggested for the United States and the increase in the number of landowners which would result from such a policy would be the strongest bulwark we could build against communism in Latin America and would remove from the political scene there the pressures which have stemmed from the existence of substantial numbers of poorly informed people to whom the Communist can appeal by the proposal to subdivide the relatively limited areas of land now in production.

PERSONAL STATEMENT

Mr. DOUGLAS. Mr. President, on a few votes last week while I was necessarily absent, my position was unrecorded. I wish to announce my position on those votes as follows:

On August 16, the Russell motion to table the motion by Senator CLARK to set aside until August 12 further consideration of the Defense Appropriations Act, H.R. 15941—No. 207: Aye.

On August 17, the Thurmond substitute, for the Russell-Saltonstall amendment on call to active duty of members of the Ready Reserves, relative to the call of Ready Reserves by units only—No. 208: No.

On August 17, the adoption of the Russell-Saltonstall amendment authorizing the President to call to active duty for not more than 24 months any member in the Ready Reserves who has not served on active duty other than training—No. 209: Aye.

On August 18, McGovern amendment to reduce various portions of the defense appropriations bill—No. 210: No.

On August 18, Hartke amendment to delete committee language on overseas teachers' salaries—No. 211: Aye.

On August 18, Clark amendment to reduce by $154 millions funds for procurement of equipment and missiles—No. 212: No.

On August 18, Hartke amendment to increase from $455 to $492 the average per pupil payment under the overseas education program for DOD dependents—No. 213: Aye.

On August 18, final passage of defense appropriations bill, H.R. 15941—No. 214: Aye.

THE INDIAN AND THE GREAT SOCIETY

Mr. MONDALE. Mr. President, in our economy of plenty there is probably no more deprived or forgotten group than our Indians. Their plight, and some glimmering of hope for the future, is excellently portrayed in a series of articles which appeared last month in the Minneapolis Tribune.

These articles, entitled "The Indian and the Great Society," were written by Sam Newlund. They show the variety of problems facing the Indian on the reservation and in the cities. As Mr. Newlund points out, 90 percent of reservation dwellings are substandard, reservation unemployment can reach as high as 90 percent, and infant death rates are 60 percent higher than they are for non-Indians.

Yet, there are hopeful signs arising from the war on poverty and other Great Society programs. The articles report "new ferment, new attitudes, and visible signs of change for the better." There is still a very long way to go, but with full use of our antipoverty weapons, we can and must make life both on and off the reservation decent and productive for the Indian. As Mr. Newlund reports:

> The choice is no longer between two unworkable approaches—either to allow the Indian to vegetate under a stifling paternalism, or to force him off the reservation and let him sink or swim.

Mr. President, I ask unanimous consent that this perceptive and comprehensive series of articles be placed in the RECORD at the conclusion of my remarks.

There being no objection, the series of articles were ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune, July 6–20, 1966]

THE INDIAN AND GREAT SOCIETY: FROM YESTERDAY'S FAILURES, UNITED STATES SEEKS "GREAT SOCIETY" FOR INDIANS

(By Sam Newlund)

The hot, dusty trail twisted through a snake-infested woods on South Dakota's Pine Ridge Indian reservation. In a clearing sat an incredibly-rotted log cabin atop a parched, barren knoll.

Inside were seven raggedy, dirty Indian children—unattended. The youngest was an infant with a bottle propped on a dirty bed of rags.

The children all had runny noses, filthy clothes and sores about their mouths.

I asked one of the boys—he must have been about seven—what he had for breakfast that morning. He looked surprised and

said, "nothing," as though it were a silly question.

Outside the house and halfway down the slope was what passed for a privy. It had rotted boards—so decayed and shattered that its interior was almost totally exposed to outside view. It had no roof.

It was an ugly and discouraging picture for an outsider trying to find rays of hope for Indian people in the War on Poverty and other Great Society programs.

But signs of hope are there.

During visits to seven Indian reservations in Minnesota, North Dakota and South Dakota over the past three months, I found new ferment, new attitudes and visible signs of change for the better.

The trouble is, poverty is still the rule, prosperity the exception.

The scene described above is an extreme. Indians who live in such squalor are the ones you hear about most because they are "the Indian problem."

Other Indians are quietly going about their middle-class business—the engineer for Honeywell Inc. in Minneapolis; a medical technician at the University of Minnesota, a commercial artist, a bricklayer, a county attorney.

Still, most Indians remain a breed apart in their poverty. In proportion to their numbers, few if any groups can match their joblessness, unfit housing, poor health, lack of education and family breakdown.

What are these problems in detail? What are the new "great society" programs, along with some old schemes, doing to help solve them?

Why, for example, is the Indian often withdrawn, bitter, uncommunicative and a "fish out of water" in urban society?

What is the poverty war's Community Action Program (CAP) all about, and is it doing any good on the reservations?

Why have the Upper Midwest reservations been largely barren of jobs, and what is being done to bring work to reservation-dwellers?

What, if anything, is being done to train Indians for jobs?

Do Indians get a fair shake in school? Why is their dropout rate so high?

How rapidly is the Indian's rural slum housing being replaced by decent homes?

How does slum housing contribute to disease and death among Indians?

Is Indian health improving?

What happens when Indians make the break from the reservation and move to the city?

But attempts to answer these questions need to be put in historical perspective.

The memory of frontier days when the white man barged into Indian country with his muskets, junk jewelry and whisky are not so distant that they have no effect on the Indian of the 1960s.

The Indian you see wandering the streets near downtown Minneapolis has not forgotten that his forbears were slaughtered, swindled and boxed into reservations by the white man.

Nor is he untouched by the white man's dehumanizing paternalism of later years and the decades of vacillation about solutions to "the Indian problem."

But are "great society" programs a different tune?

Taking the programs as a whole, most white bureaucrats as well as Indian leaders agree that they are a significant step. They could pay off.

"We are at a crossroads in federal-Indian relations," commented Robert L. Bennett, an Indian named recently to succeed Philleo Nash as commissioner of the Bureau of Indian Affairs (BIA).

"The paternalistic approach is good no longer," said Bennett. "It has resulted, in its worst manifestation, in a culture of poverty, and even at best it encourages a dependency approach to life."

The 142-year-old BIA has been the dominant government force in Indian life. Last year, the bureau and the Indian Health Division of the Public Health Service—the other big Indian agency—employed some 21,000 persons and had $300.7 million to work with.

Established at first as an agency of the War Department, the BIA's principal job became management of the Indian land that had survived white encroachment.

But it also developed over the years a wide variety of people-oriented programs. Operating with limited funds and tied to fluctuating Congressional policies, it deals now with education, welfare, housing, vocational training, industrial development, natural resources, employment and relocation.

The bureau's defenders point out that it has helped many Indians escape poverty.

Its critics, like the Senate Interior Committee last April, charged that the BIA is "more interested in perpetuating its hold on Indians and their property" than in bringing them "into the mainstream of American life."

But the BIA's image among the Indians is improving. The early 1960s marked the end of its policy of "termination," under which Congress ordered the bureau to end its special services to many reservations.

Other bitter memories, however, lurk in the minds of many Indians—like the mother in a dilapidated log shanty on Minnesota's White Earth Reservation, or the jobless, uneducated Indian man trying to drown his despair in a cheap Minneapolis beer tavern.

The sum of these memories is that, until recently, Indians were not regarded as full-fledged people. For example:

Until 1953 it was against federal law for an Indian to buy a drink.

It wasn't until 1924 that Congress granted suffrage to the 125,000 Indians who had been denied it. (But as late as 1956 Utah was still refusing the vote to reservation Indians.)

And the Indian Bureau once actively discouraged the speaking of Indian languages in BIA boarding schools.

Such memories partly explain why Indians first viewed the "great society" with the same dull skepticism which experience had taught them.

But the credo of Community Action—the major anti-poverty vehicle on reservations—is the opposite of paternalism. It is self-help.

Its distant goal may be Indian assimilation into "the mainstream." But there is no crash program to sprinkle the Indian into the metropolitan mixing bowl, forcing him to abandon his roots in the earth and mystical attachment to the outdoors.

Instead, there's new recognition that Indians may have good reason for wanting to live amid trees, wildlife, open spaces and fresh air—after all, they were born and raised there.

"You know what I tell a white man when he asks why Indians want to live on reservations?" a Twin Cities Chippewa said. "I say, 'Why does the farmer want to live on the farm?' "

The choice is no longer between two unworkable approaches—either to allow the Indian to vegetate under a stifling paternalism, or to force him off the reservation and let him sink or swim.

Community Action recognizes that although urbanization may be the distant goal, the first job is to pump new blood into reservation life—now.

The Indian's problems, under this approach, first must be dealt with where he is found. This view recognizes that some Indians want—right now—to assimilate, if only someone will train them for jobs and hire them.

But others want to stay where they are, and always will. They should have that right, the reasoning goes.

Still others may assimilate some day in the future. They may, that is, if their attitudes, living conditions, education, job potential and work opportunities can be upgraded.

And if they don't assimilate, their children might.

This, then, is the promise of the "Great Society" to Indians.

Up to now, said a young Indian mother in northern Minnesota, with a sigh, "all we've heard is promises, promises, talk, talk, talk."

Will "Great Society" programs lead, at long last, to the conquest of "the Indian problem," or to a new round of bitterness and despair?

The answer remains to be seen.

INDIANS MUST BE UNDERSTOOD TO HELP THEM COMBAT POVERTY

(By Sam Newlund)

To understand the Indian's dull poverty in the midst of bright prosperity the non-Indian needs to know something of what makes the Indian tick.

He needs to know, for example, something about "Indian time."

Indian time, in the words of a Minneapolis Chippewa, means simply that "time doesn't mean anything."

"You go to a meeting called for 7 o'clock. We get there at about 9 o'clock. That's Indian time."

This isn't done for spite. It's just that time, as measured by clocks and wristwatches, didn't exist for the 19th century warrior. That tradition has passed down to the present, to a lesser degree, perhaps.

Who needs a sweep second hand to live out his days in idleness on a northern Minnesota reservation?

Gerald Vizenor, a Minneapolis resident of Indian heritage, explains it further.

Time to an Indian, says Vizenor, is the "contrast" between day and night, sunrise and sunset. "It's an experience."

What has this to do with poverty?

It simply is one swatch of the Indian fabric that has to be reckoned with if "great society" engineers are to:

Understand why Indians seem to be "out of it" when it comes to meeting the demands of urban living. (Like showing up on time for a job.)

Communicate with Indians in such manner as to avoid superimposing the white man's "superior" way—thus lessening the hope that the Indian will adjust his own ways to the realities of modern life.

From the Indian viewpoint, and hardly anybody argues with this, the white majority has been trying for 150 years to do things "for" the Indian or "to" him.

It hasn't worked. And neither has the reservation Indian solved the problems of jobs, health, housing and education for himself.

One obvious reason is that the means of self-support are scarce, since many reservations are isolated from sources of income.

"What kind of factories are you gonna get up here?" scoffed an Indian leader who drove me over the scrubby hills of North Dakota's Turtle Mountain Reservation. "Nothing! Freight costs are too high.

"You're not gonna get any factories up here."

But there's more to it than that. Why doesn't the Indian leave the reservation if there aren't any jobs?

If he does go to the city, why can't he hold a job? Why don't Indian youngsters stay in school?

(The questions, of course, apply to some Indians, but not all. Many do succeed.)

History has a lot to do with it. No other group of Americans has been so set apart from the rest, geographically, legally and psychologically, as have American Indians.

There is no Bureau of Negro Affairs.

The Indian way of life, closely knit communal groups, disinterest in acquiring private property, respect for elders, love of solitude, doesn't fit our modern private enterprise society.

Paternalism, perhaps born of the necessity to protect early Indian tribes from unscrupulous whites, deadened initiative. Over the years, Indians fumed at the autocratic hand of the Indian agent, but feared any move to be set free of his protection and services.

Add to this the Indian's sour memories about asking for a bank loan and being laughed at, about being stared at walking through the downtown streets of a big city, about the humiliation of attending a white school and understanding nothing but the Chippewa language.

A Bureau of Indian Affairs (BIA) superintendent on a Western reservation once outlined Indian psychology as a series of these contradictions:

"A feeling of dependency on the non-Indian world linked with a hostility toward it."

The desire to keep Indian culture while competing as an equal with non-Indians.

A wish for authority, "yet fear of responsibility."

Expressions of "togetherness and concern for the community," linked with acts that appear selfish.

The demand for "freedom of action" and an "almost morbid fear of cutting the umbilicus linking this Indian to the federal government."

"The Indians were here first," wrote Indian historian Oliver LaFarge. "They did not invite us, they did not want us, and we have shown them precious little reason to believe that it would be an improvement to become the same as the rest of us. Indians are conscious of themselves as an aboriginal aristocracy older, smaller and prouder than the D.A.R. (Daughters of the American Revolution)."

The fact that Indians may regard modern society as inferior to their own heritage was evident in an interview with George Mitchell, a Minneapolis Chippewa.

The unassimilated Indian, Mitchell said, has a conscious, or subconscious distrust of the white man. "He's been disillusioned so many times in so many ways, and he doesn't want to become part of it."

"This," he said, "is the way I felt 10 or 15 years ago. But slowly but surely I began to realize that we have to give up something of value, in order to get into the American way of life."

"Something of value," according to Mitchell includes the Indian tendency to give, rather than acquire.

"The more the Indian gave away, the more powerful he was," Mitchell explained.

"But here it's just the opposite. The more you acquire the more powerful you are."

In Mitchell's lifetime, this meant a hunter on a Minnesota reservation might have spent a day in the woods, returned with a single deer and given it freely to a destitute widow encountered on the way home.

"He felt a lot better," he said. "I think it was just sort of religion."

A white man tells it a different way.

"You and I are competitive," said Frank Brady, education specialist in the Minneapolis BIA office. "But the Indian is cooperative.

"In other words, if you and I saw a parking spot at the same time, we'd be racing to see who could get there first. But not an Indian. He'd let the other guy have it."

The Indian also is reputed to be noncommunicative by white men's standards.

Matthew Stark, adviser to a University of Minnesota project in which students lived several weeks with reservation Indians, reported later:

"The hardest thing to do was to teach the university kids how to talk to an Indian. It was hard to get these highly verbal kids to say, 'How are you today?' and then shut up."

LaFarge called this "a very old-fashioned reticence and reserve in initial contact with people."

"Our modern pattern," he said, "is the immediate smile, the hearty hand-shake, the slap on the back and the instant use of first names. We enact a comedy of personal friendship on sight, one result of which often is that we experience no true friendship."

Indians, LaFarge said, withdraw from this approach, and "if there is an element of condescension," hostility results.

Vizenor believes that the Indian, even more than the Negro, constantly is aware of his separateness, because he is "constantly reminded of his race."

Billboards, newspaper advertisements, names of streets, cities, bodies of water all shout Indian names to the red man, and "he's tuned in to this," says Vizenor. "No other people do we do this for."

"You can't forget it—never. It's almost worse than being a Negro. At least nobody knows anything about African history."

The reservation Indian, as Vizenor points out, is set apart even more than his city relative.

"He's set apart not only because he is Indian but because he is rural. And he's rural rural, not even a part of the white community in a rural area."

Vizenor, whose avocation is writing fiction and poetry with Indian themes, speaks reverently of Indian life before the white man came.

"I hate to use the word animal," he said, "but in the finest sense they were a beautiful animal. Their whole ecology was in the rhythm of this area. They were a part of it.

"They'd have died if you moved them out of the plains, without some transition. They've worked here. They fit here."

Most Indians, Chippewas at least, are pictured as disapproving the kinds of demonstrations the Negro uses to help achieve social justice.

"They're too damn proud to do something like that, too proud and too backward," said Elmer Tibbets, secretary-treasurer of Minnesota's Leech Lake reservation.

But there is evidence that Indians, and those who speak for the Indian, are following the Negro's lead by complaining to the white man about traditional violence being done to his public image.

One result is the Pillsbury Co.'s decision to change the name of a soft drink from "Injun Orange" to "Jolly Olly Orange."

And the April issue of Twin Cities Indian News objected to newspaper publication of "simple-minded cliches" like "happy hunting ground," and "on the warpath" in essentially serious articles. It also denounced an editorial cartoon depicting President Johnson as a comical Indian figure. The President was saying "Me wannum back" to John Q. Public, who was holding money representing excise tax cuts.

Such things perpetuate "stereotypes," the publication said. "Indians just don't have to put up with it."

COMMUNITY ACTION PROGRAM HELPS INDIANS HELP THEMSELVES

(By Sam Newlund)

For Mrs. Jennie Ellis, a 60-year-old Chippewa grandmother, the "great society" means electric lights in her home instead of kerosene lamps.

It means that the four grandchildren who live with her wear better clothes and eat better food.

"They never did have enough meat, eggs and vegetables," she said.

Mrs. Ellis, a social work aide in the war on poverty, lives with her husband and grandchildren in a small, gray home at the end of a grassy driveway at Ponsford, Minn., on the White Earth Reservation.

She is one of hundreds of Upper Midwest Indians hired by the Community Action Program (CAP). The exact number is elusive, since new projects are being funded continuously, but by conservative estimate well over 1,000 reservation Indians in the area are working in CAP jobs.

CAP is one of dozens of federally-aided programs that might come under the heading war on poverty or "Great Society." For better or worse, it has had the most jarring impact on the slow-moving life of Upper Midwest reservations.

Aside from whatever success workers such as Mrs. Ellis may have in reducing somebody else's poverty, CAP itself has put money into many Indian pockets.

The $300 a month Mrs. Ellis gets as a CAP worker (she started at $250) means she and her husband now can afford electric lights and better food.

She and other social work aides living in White Earth villages are supervised by professionals hired under one of nine reservation CAP components.

Her work includes visiting her neighbors, helping them deal with welfare officials, informing them of job opportunities, encouraging youths to sign up for the Job Corps and helping men line up vocational training.

CAP is the nub of the War on Poverty. It means putting the poor to work in designing and wielding their own antipoverty weapons.

The old method was to gift wrap aid programs and leave them on the poor's doorstep. Too often they didn't work.

To qualify for Federal funds, a CAP organization must be heavily staffed with poor people—both policymakers and workers.

"We've taken this business of involving the poor seriously," said William Stava, CAP director for Minnesota's Leech Lake Reservation.

There's no problem finding poor people on Indian reservations. Most recently compiled national figures indicate that among 380,000 reservation Indians, unemployment is seven or eight times the national figure, average family income is half the $3,000 poverty level, 90 per cent of Indian housing is unfit, and education and life expectancy are two-thirds what they are for the population as a whole.

By June 1, according to the Minnesota Office of Economic Opportunity, $2.257 million had been poured into CAP projects on the seven Minnesota reservations.

Upper Midwest projects include preschool Head Start recreation, remedial education, social work, employment counseling, legal aid, study halls for youth, home management, adult education, health education and others.

Poor Indians hired by CAP may work as teacher aides, recreation leaders, home economics instructors, office workers in CAP headquarters or in other jobs.

Aside from the money they make on these jobs, benefits may be long-term and fuzzy. Whether a 5-year-old Head Start child escapes poverty won't be known for several years.

Whether a welfare recipient visited by Mrs. Ellis breaks out of squalor as a direct result of her work may be hard to ascertain.

Neither do most CAP projects do anything to bring jobs to the reservations—jobs which, ultimately, must be brought if a long-term solution is to be found.

But, according to believers in the CAP approach, even if General Motors were to build a $10 million plant on a reservation, this wouldn't end poverty for all its Indian residents.

Many aren't ready, the argument goes. Poor education, poor health, inability to meet

the demands of a time clock, family problems, lethargy and just plain inability to communicate still would get in the way.

Factors such as these are cited to explain why CAP projects may include activities that seemingly have no direct connection with poverty.

Like music and drama, which Stava relates to the ability to communicate—a modern world necessity.

"The lack of verbal skills is terrible," he said. Many Indians, according to Stava, need "a whole broadening of cultural outlook."

"Anything that the white man calls self expression (such as music) is so severely lacking that it is a real employment handicap."

Music instruction is included in the $210,000 to be spent this year by the Leech Lake CAP under a component called "social achievements, industrial accomplishments and recreation" (SIR).

Music is needed, according to the Leech Lake application for a federal grant, "to fill a cultural-esthetic void: There are no music teachers, there is no music instruction, there is no opportunity to learn musical expression in the entire area."

The entire SIR project is needed, according to the application, "to provide children and adults with some of the advantages enjoyed by middle-income people in metropolitan areas."

Leech Lake's recreation program in the first year of CAP, officials said, "has proven to be an effective answer to the drunkenness, rowdyism and destructive behavior that is the end of a scale, beginning with a lack of hope, a lack of skills, a lack of healthy outlets."

The notion of using the poor as "social workers" is not unique to Indian CAP programs. But, with the Indian's distrust of white outsiders, it may be even more appropriate to reservations than to city slums.

"The best social work," says Stava, "can be done sometimes by the neighbor who lives down the road."

For the first time, Leech Lake CAP people told federal officials, "the poor reservation residents have their own social worker—one not dealing with financial problems, budgets and grocery orders, and not tied down to bookwork."

Some observers claim CAP already has brought visible improvements.

On Minnesota's Mille Lacs Reservation, the county sheriff credited CAP recreation with reducing juvenile delinquency. The local probation officer reported "a significant reduction in the number of Indian children referred to our court."

The school principal at Vineland, on the Mille Lacs Reservation, linked CAP recreation with a reduction in breakins at the school.

Indians are "busier now," added Father Justine Weger, pastor at the Little Flower Mission at Mille Lacs. "They're running around, visiting each other, and they're more independent, too," he said.

Before, Father Weger continued, Indians considered themselves "just puppets," but now "there is real discussion of vital decisions."

COMMUNITY ACTION PROGRAMS AID UPPER MIDWEST'S INDIANS

(By Sam Newlund)

Free surplus food would be dumped on the garbage heap because Indian women didn't know how to prepare it.

Or it would be fed to the dogs.

Dried beans would find their way into youngsters' bean shooters, but not their stomachs.

All this was before the Community Action Program (CAP)—including a component called "home management"—came to the tiny village of Bena, Minn., on the Leech Lake reservation.

Nobody claims that CAP has eliminated such waste completely.

But Mrs. Frances Daniels, a CAP social work aid employed from the ranks of Bena's poor Indians, believes it has helped. "CAP is doing wonders for the people," she told me.

If fewer surplus commodities are wasted at Bena now, it is partly because CAP hired a home economist, plus a nonprofessional aid for each of the reservation's villages. They taught women to use the commodities, among other things.

They also taught them things like sewing, budgeting and sanitation.

Something like $3 million has been earmarked for CAP projects on Minnesota's seven reservations alone. Most reservations now are starting their second year of CAP operations. About $9 of each $10 comes from the federal Office of Economic Opportunity (OEO).

This is in addition to other War on Poverty programs affecting Indians. Job Corps, Neighborhood Youth Corps and VISTA or domestic peace corps are some of the major ones.

CAP's effectiveness varies with the reservation, but the ever-present controversy swirling about it varies only by degree.

The tiny village of Inger on the Leech Lake reservation is cited as an example of CAP's beneficial seepage into a primitive, isolated community.

Inger is a sleepy village with log cabins nestled among pine trees and junked autos. Six months ago, according to an OEO official, meetings of Inger residents to discuss community matters were about as rare as air conditioning and dishwashers.

Now, this official said, Inger folks are "sitting down and discussing problems for the first time."

I spent an hour in Inger during the spring thaw and found that CAP, along with a VISTA volunteer, had penetrated its nearly-impassable mud roads:

The CAP activity I observed was a class in dressmaking for half a dozen Indian women. It was being held in the nearest thing the village has to a town hall—a log house.

The diversity of CAP projects is evident on North Dakota's Turtle Mountain reservation, where ambitious tribal leaders—with help from hired professionals—applied for $1.5 million to run 17 CAP activities in the second year of operation.

The proposed activities were administration, remedial education, a youth service center, credit union, home economics, manual arts, guidance and counselling, library-study hall, community arts, legal aid, gardens and small fruit production, transportation, special education, housing aides, community beautification, pre-school Head Start and Medicare information.

About half the request was granted.

Burton Niemi, a professional teacher, is co-ordinator of the Turtle Mountain CAP's education program. One program already operating was remedial arithmetic and reading classes for elementary school pupils.

The regular elementary grade school—operated in a modern building by the Bureau of Indian Affairs (BIA) has no remedial classes, Niemi explained.

CAP classes are held in cramped, makeshift quarters in spare rooms of the frame building that serves as headquarters for CAP and the tribal council. (The tribe wants to get federal funds for a community center to house school and other activities.)

At the village of White Earth, on Minnesota's White Earth reservation, I found a cluster of young Indian girls sitting on a hillside cheering the reservation baseball team in a contest with a green-shirted team from the nearby Tamarac Job Corps center.

This, too, was part of a CAP program—recreation.

(Most of the Job Corps boys who occasionally visit White Earth for ball games and dances are Negroes. At a recent dance, for which a Job Corps band was playing an Indian reportedly objected heatedly when his sister danced with a Negro youth.)

(CAP officials decided not to invite the band back for a scheduled dance two nights later, so things could "cool down," according to a recreation specialist. The dance was cancelled.)

Critics of Indian CAP activities claim CAP favors women over men and children and youth over adults. They say CAP spends too much money on programs obscurely connected with poverty—like recreation—and not enough on jobs.

It is generally true that other Great Society programs—like Manpower Development and Training, small business loans, and loans and grants under the Public Works and Economic Development Act (EDA)—are more exclusively concerned with creating immediate job opportunities.

Some CAP programs are so concerned, and some are not.

Reservations differ. But, as could be expected, whenever jobs are dispensed—even at the usual CAP starting rate of $1.25 an hour—there is bickering over who gets the jobs. And there are charges of nepotism and favoritism.

At Turtle Mountain, OEO held up CAP funds for a time because a candidate for tribal chairman charged that federal money was being used to help elect the CAP director's brother to the tribal council.

At North Dakota's Fort Totten reservation, the tribal council "fired" the CAP director, charging that he had failed to secure much in the way of federal funds. The director replied that only the CAP council, not the tribal council, could fire him.

Fort Totten's CAP council was made up of the six tribal council members plus one other person. In Minnesota the picture is similar—the CAP council, which technically hires and fires the professionals, is made up of the Reservation Business Committee plus one or two "non-Indian poor persons."

When CAP organizations were first being developed about 18 months ago, said John Buckanaga, director of the Minnesota Commission on Indian Affairs, Indians were "hesitant, reluctant and skeptical."

There was "continuous in-fighting," and much conflict between CAP organizations and tribal leaders, Buckanaga said.

But in a conference in Bemidji, Minn., this April, members of CAP governing bodies from the seven Minnesota reservations appeared to have embraced the CAP idea with enthusiasm. They had gathered to study the details of business matters like personnel practices, delegation of responsibility and fiscal accountability.

Led by Robert Treuer, then a leadership training specialist for the BIA—the old Indian affairs bureaucracy—the Indian leaders made common cause against a new one—OEO.

They wired OEO in Washington, demanding that Indians have a voice in setting policy under which federal CAP Funds are distributed to reservations. In particular, they objected to an OEO ruling against hiring the relatives of CAP council members for CAP jobs.

Although grumblings about nepotism are common on reservations, the Bemidji conferees said the rule would work a hardship on Indians who need jobs the most.

OEO officials had explained that the rule was written for all CAP programs, not just Indians. "Performance," replied the Minnesota leaders, "should be the test of how well a program is run on an Indian reservation, not a cut and dried rule, made in Washington by persons who have never been on a reservation."

Herbert Bechtold, who reviews Indian CAP applications for the OEO, was at the Bemidji conference to hear the Indian complaints.

Although he gave no indication that the nepotism rule would be changed, he praised Indian leaders in an interview for taking the CAP bit in their teeth and running with it.

"Poor people," Bechtold said, "have a hell of a lot more talent than we give them credit for."

INDIAN HEALTH AID IS INADEQUATE

(By Sam Newlund)

Ed Black Bear, 63, is a Sioux Indian who lives with his brother, Pete, in a one-room secluded house on South Dakota's Pine Ridge Reservation.

It doesn't bother him that he has to carry his drinking water in buckets from a nearby "spring." But he doesn't like having to pour water through cloth to strain out the worms.

Lena Black Cat, 32, mother of five children, is expecting her sixth baby in two months. As of July 5, she was yet to have her first prenatal medical examination for this pregnancy.

She lives deep in the Pine Ridge woods, too, and transportation to field clinics operated by the U.S. Public Health Service (PHS) is a problem.

Carl and Edna Plenty Arrows get their drinking water from a creek that runs in a gully behind their house. Some of their children were playing along the creek bank when I was there. Resting in the shallow water were a couple of old car wheels.

"They'll come down with diarrhea," said a public health nurse.

She tries to get Indians to boil their water or sterilize it chemically, but she doubts how often this is done.

These are some of the facts of reservation life. These are some of the reasons Indian health is still about a generation behind the nation's as a whole.

Diseases that have been nearly wiped out elsewhere—like tuberculosis—still are major health problems for Indians.

True, improvements have been made. But poor environmental sanitation still is one of the main causes of Indian sickness, and recent actions to improve these conditions have been a drop in the bucket.

Too many Indians still drink polluted water, use germ-ridden outdoor privies and practice poor personal hygiene. It is too difficult, for example, for many of them to bathe. There are too few bathtubs.

And, as Dr. George Browning puts it, the Indian death rate from stomach and intestinal diseases is four times the national rate because Indian children in substandard houses are more apt to "suck dirty fingers, roll on the floor and pick up dirty things and put them in their mouths."

Browning is area director of Indian health for PHS, with headquarters in Aberdeen, S.D. His territory includes seven states, including the Upper Midwest.

PHS operates hospitals and clinics, contracts with local doctors for health care in some areas, and builds water and sewage systems on reservations.

Browning says Indian health "very definitely is improving," but he leaves the impression that he can only meet a fraction of the need—mostly because Congress doesn't appropriate enough money, and partly because few medical people want to live on reservations.

For water and sewers, it takes at least two years from the time a request is made until it is approved by Congress and work can begin. And too many needed projects are lopped off the bottom of priority lists, according to Browning.

He and others emphasize waste disposal, water and good housing because they believe that if these problems are solved Indian health problems would improve dramatically.

Nationally, the average reservation Indian dies at age 43, compared with 63 for the population as a whole. This indicates something is wrong, and so do these recent random figures, which refer to Indians in the seven States of the Aberdeen area:

The birth rate is twice the national rate for all races, and the gap is getting bigger.

Infant death rate is 60 per cent above the national, but has dropped 37 per cent in the last seven years.

TB death rate is nearly five times the national, after declining 39 per cent from six years earlier.

Nearly one Indian in 10 has otitis media, an ear infection associated with poor sanitation. Nationally, this is the leading "reportable" disease among Indians.

Although Congress authorized the Health Service to bring sewers or septic tanks to reservations in 1959, Browning estimates that seven homes in 10 in his area still are lacking suitable water and waste disposal units.

"Suitable" doesn't necessarily mean indoor plumbing and water from an indoor faucet. It may mean, and often does, a safe outside well and a decent outhouse.

Over-all, Browning estimates his area gets about $1 of every $10 it needs to meet minimum standards.

Dr. Michael Ogden, director of PHS medical services at Pine Ridge, says nearly four families out of 10 on his sprawling reservation get their water from creeks and springs. Many of the 243 wells, he said, are "in poor repair."

But 150 public housing units have been built at Pine Ridge—all with modern facilities—and more are coming. But so far, Ogden said, water and sewers have come only to the easy-to-reach villages, leaving untouched the remote homes, like Ed Black Bear's.

Besides the Pine Ridge hospital, PHS operates four once-a-week reservation clinics—to reach families as far as 100 miles from the hospital.

Public health nurses, community health aides, sanitarians and others are trying to bring good health to the remote regions.

Ogden has other problems. He is short six hospital nurses, he told me, because "I can't get people to come out here to work."

The turnover of doctors is so swift that with only three years at Pine Ridge, Ogden has had the longest tour of duty among seven physicians. (A young doctor can satisfy his military obligation by spending two years with PHS.)

The hospital has two dentists for 10,000 people—about one-seventh the national ratio—and as a practical matter they work largely on children, leaving unmet most of the dental needs of adults.

Pine Ridge also is experimenting with a mental health program, trying to ease what Ogden calls "a sort of general mental illness characterized by lack of hope, lack of ambition, and use of alcohol to dull the senses."

Indian medicine—which is tied closely with Indian religion—isn't ignored by Ogden and his staff, either. He speaks of a "mutual respect" between physicians and medicine men, who still attract crowds to spiritual meetings in remote communities like Potato Creek.

Peyote, an LSD-like drug, is taken by some Pine Ridge Indians in connection with religious rites. Peyote, Ogden said, "is not a major medical problem," although an occasional Indian will land in the hospital suffering from an overdose.

Medicinemen, Ogden says, realize there are some illnesses they can't cure, so they "refer them to us." Likewise, he said, "I'm glad when somebody goes to the medicine man."

These spiritual leaders perform healing, Ogden explained, "in the same way that Christian faith does healing."

I visited a medicine man in Ponemah, the most isolated village on Minnesota's Red Lake reservation.

"I cure a lot of people where doctors fail," said tall, black-haired Dan Raincloud Sr.

Reluctant at first, he agreed to show his "outfit," which he described as the gear he uses to "suck the germs out of other people's sickness."

From within cloth bags secured by drawstrings, he produced four two-inch tubes, each about half an inch in diameter. Two were made from eagle bones, the other from brass, he said. These were the tubes through which Raincloud "sucked the germs."

He also displayed a small skin-covered rattle, which he shakes as part of the healing rite. Chanting of songs also is part of it.

Then he turned his back, refusing to discuss these secrets any further.

START MADE TOWARD PROVIDING ADEQUATE HOUSING FOR INDIANS

(By Sam Newlund)

Shanties, shacks, log cabins, hogans, hovels, mud huts, tents—these are the words commonly used to describe Indian housing.

For the most part, they are accurate.

Surveys—perhaps obsolete—remind us that 90 per cent of reservation dwellings are substandard.

That means no running water, no gas nor electricity, no indoor toilets. It means patched-up walls that admit sub-zero winds in winter and germ-bearing flies in summer.

It means overcrowding that sometimes must be unbearable. (An average of 5.4 persons to each one- and two-room house, a partly-obsolete study shows.)

On South Dakota's Pine Ridge reservation I met a woman whose shanty ("shack" or "cabin" would describe it just as well) housed 12 children.

Her answers to my questions were faint mumbles or nods of the head, tinged with bitterness. Later, I regretted having pointed out to her the obvious—that her two beds must be pretty crowded.

"Substandard" is a euphemism that has described Indian housing for generations.

The most important fact now is that something is being done about it. A start is being made.

Almost as though the government is suddenly aware for the first time that something is wrong, new and decent housing is being built through the Public Housing Administration (PHA), the agency that has financed decent homes for low-income city-dwellers since 1937.

It's been in the last three years or so that government-financed housing, PHA or otherwise, has been made to work on Upper Midwest reservations.

"By golly, I think it was just because nobody thought of it," a housing officer for the Bureau of Indian Affairs (BIA) said.

Clearing away legal difficulties helped. For one thing, an Indian tribe was recognized as a bona fide governmental body that could set up a housing authority and deal with PHA.

Now, through joint efforts of a handful of government agencies, 64 homes have been completed on Minnesota reservations, for example. Nearly 500 more have been approved or "programmed."

But, as with water and sanitation, this is only a small part of the need.

Louis Thompson, housing officer for the BIA's four-state Minneapolis area, estimates that more than 1,600 new homes are needed at Minnesota's Chippewa reservations and two Sioux communities. This is the number estimated to be unfit.

In North Dakota, I turned of Hwy. 5 recently and stopped outside the tribal office in the heart of the Turtle Mountain Reservation.

To my left were neat rows of new frame houses, paved streets, sidewalks, freshly manicured lawns, fire hydrants and a sign reading, "Slow, Protect Our Children."

Inside, I remarked to tribal antipoverty officers that Indian housing efforts apparently had borne fruit.

"Oh, you don't think those are Indian homes, do you?" one of my hosts replied sardonically. "Those are BIA homes," occupied by BIA employes working on the reservation.

On the opposite side of Hwy. 5, the roads were unmarked and rutted deep in mud. Log cabins, tarpaper shacks and hovels of every description were visible along the back roads. The rusted hulks of abandoned cars littered the scene.

How soon, if ever, such scenes will disappear as a result of the new public housing is a matter of conjecture. (At Turtle Mountain, the first project is underway.)

One man who already has traded a substandard dwelling for a house nearly as good as the "BIA homes" is Hank O'Rourke, who, despite an Irish name, is more than half Sioux.

O'Rourke, 54, now lives with his wife, a son and six grandchildren in a yellow frame, three-bedroom home at the village of Kyle amid Pine Ridge's rolling ranch land.

The house has a gray shingle roof, red chimney, television antenna and shrubbery. In one corner of the front yard is a red fire plug.

O'Rourke, a thin, wiry man who wears Western jeans and a cowboy hat with the side brims turned up, is an unemployed ranch hand. His wife works in a fishhook factory.

They pay $60 a month rent to the Oglala Sioux Housing Authority at Pine Ridge Village.

O'Rourke showed me his old house. It's a fairly substantial frame structure now surrounded by high weeds at the end of a dirt road. But it has no electricity and O'Rourke had to carry water either from a nearby spring or from town.

Last January, O'Rourke said, he slipped and broke his leg while carrying water.

He allowed that the new house was "all right," but he missed the quiet seclusion of the older place. "I'm not a town man," he explained.

Pine Ridge was one of the first reservations to get public housing. It has 150 units, and 50 more units were approved two weeks ago.

But tribal leaders incurred the wrath of commercial contractors in Rapid City and elsewhere when they decided to act as their own contractor and hired Indian labor for the first 150 units.

The private contractors claim that, besides denying them millions of dollars worth of business, the self-contracting method takes longer, costs more and results in inferior work. Neither, they say, can the tribal authority provide competent carpentry training to the Indian workers.

But the authority denies all this and claims private contractors would leave most Indian workers out in the cold, giving them only the jobs that whites didn't want.

Mrs. Yvonne Wilson, housing authority director, wrote to President Johnson and several congressmen, urging that PHA approval be given to the additional 50 units, without private contractors.

"Please help us here on the reservation to go forward and be able to stand on our feet," she wrote. "We will not let you down, we just want to be able to be self-supporting and have modern houses to live in."

At nearby Rosebud Reservation, plans were announced last week for a plant to employ some 100 Indians in making prefabricated housing materials. Four federal agencies are co-operating in financing that venture.

Most public housing is either low-rent, in which the tribal housing authority rents to tenants after PHA-financed construction, or mutual-help, under which Indians work on construction and gain equity in their houses for their labor.

On most projects, efforts are made to train Indians workers in construction skills. Funds from the Office of Economic Opportunity frequently are involved.

In Minnesota, the public housing breakthrough came in April when tribal leaders from four reservations agreed with contractors on means of keeping construction costs to a level which PHA could approve.

These projects—at Leech Lake, White Earth, Red Lake and Fond du Lac Reservations—will total 272 units, at a cost of $3.3 million.

BIA officials give Sen. WALTER F. MONDALE, D-Minn., much credit for "camping on the doorstep" of the PHA until the red tape could be cut. "They found he meant business," one official said.

SEGREGATED SCHOOLING CALLED BLOCK TO INDIANS' PROSPERITY

(By Sam Newlund)

Racially segregated schools, where Indian children rarely rub shoulders with the white majority, continue to vex some "great society" programmers who regard education as a doorway to prosperity.

"Talk about a segregated school!" exclaimed the elementary school principal at Park Rapids, Minn., "You don't have this in the South."

He was talking about de facto segregation that last spring isolated 83 Indian pupils and one white classmate at the nearby Ponsford school on the White Earth Reservation in an educational island surrounded by the mostly white Park Rapids district.

Ponsford (the Pine Point School District) is one of a half-dozen Minnesota public grade schools which are essentially all-Indian.

The rub, according to local and state school officials, comes when some graduates of a predominantly Indian grade school graduate to a predominantly white high school.

The Indians are cowed by the more sophisticated environment. They do not respond in class. They play hookey. They drop out at the earliest legal age—16.

Fred Bettner, Park Rapids school superintendent, tells of the Indian girl who graduated from Ponsford to Park Rapids, faithfully rode the school bus every day, but never showed up in class.

After about two weeks of this, they found her hiding in a basement shower room.

"You can make me come to school," the girl said, "but you can't make me go to school."

Unlike the South, Minnesota's islands of segregation cannot be blamed on segregation laws. Neither does the Bureau of Indian Affairs (BIA) operate all-Indian schools in Minnesota, as it does in other states.

Rather, the "Indian school districts" on or near reservations are run by locally elected school boards.

And although evidence of white bigotry sometimes comes to the surface, officials of the State Department of Education say local Indian leaders usually are the major objectors to consolidation with adjacent white schools.

Indians who make up school boards in villages like Ponsford generally resist consolidation out of fear that it would be yet another Indian surrender of local control to the white man.

Reuben Rock, an Indian member of the Ponsford School Board, flared when I suggested that if Ponsford children went to an integrated school from the first grade on, their eventual adjustment to Park Rapids High School might be easier.

Shaking a finger, Rock declared that the white man is to blame for dropouts, because it is white law that lets teen-agers quit school at 16.

Whatever the cause, school attendance of Ponsford Indians drops when they begin taking the 20-mile bus ride to Park Rapids. In 1964–65, attendance at Ponsford averaged 92.6 per cent. The same year Indians at Park Rapids had an 84 per cent record.

Ponsford has grades one through seven. In 1961, 18 Indians completed the seventh grade, but five years later only two Indians graduated from Park Rapids High School.

To combat this situation, funds from one "great society" program—the Elementary and Secondary Education Act of 1965—have been at work at Ponsford.

A guidance and counseling worker, Ralph Brewer, has been hired with money from the act, which gives special aid to school districts in poverty areas. Besides counseling youngsters and their families, Brewer plans next fall to make a bee line for the home of any Indian youngster who fails to show up for school—and to find out why.

Ponsford also was awarded federal money to hire remedial reading and music teachers. But, perhaps because of its isolation, nobody has been found to take those two jobs.

"Would you come out here and teach?" asked Otto Kamrud, Ponsford principal.

Brewer has found that Ponsford parents are either "very much interested or have no interest" in keeping their children in school. Some, he said, tell their children: "Do you want to be stuck out here on the reservation the way I'm stuck?"

Others may tell Brewer: "By golly, if my kid doesn't want to go to school, I don't see why he has to."

"There's a lot of good potential among those Indian kids," Brewer says. "There's as much intelligence in those 80 kids as in 80 kids you'd find anywhere. Sometimes when you think of the backgrounds of these kids it's surprising that they get to school the first day, let alone the second."

That background may include a shattered home life. A fourth-grade girl may find herself playing mother to a houseful of small brothers and sisters because their parents failed to come home the night before.

Even in school the pressures against success—"peer pressures," Brewer and Kamrud call them—may be overwhelming.

The two men tell of an Indian girl who transferred to Ponsford from an integrated grade school where she had learned to take part in school activities and speak up in class. At Ponsford, they said, it took her about six months to succumb to her peers and quit talking.

It is not surprising, some observers feel, that such attitudes carry over into adult life and partially explain the isolation of the reservation Indian who migrates to the city.

But educators have reason for hope. In 1945, according to the State Department of Education, there were "only about eight" Indians known to be graduating from high school.

This year, the number was 189, although this included the Twin Cities and other schools not surveyed previously. About two-thirds to three-fourths of Indian high school graduates go on to college or vocational training, the department reports.

This year, according to Roy H. Larson, the department's director of Indian education, 134 "eligible Indian students" were on state, federal or private scholarship programs.

Any student is "eligible" if he has one-fourth Indian blood and is deemed capable of completing a college, professional or vocational course.

BIA and state officials say virtually any Indian who can profit from college can go—either with BIA, state or private scholarships, or a combination of these.

The Minnesota Indian Scholarship Committee acts as a clearing house for these scholarships. BIA scholarship money is available only for Indians living "on or near" reservations who want to go to public institutions.

State scholarships usually are for public institutions. At private institutions, they may include living expenses and books, but not tuition.

Nationally, the BIA spends more money on education than any other activity. About a third of all reservation children attend bureau schools, the rest public and parochial schools.

In Minnesota, the remaining islands of de facto segregation may not disappear until a new state law is passed. This legislation, defeated in the past three sessions of the State Legislature, would require all school districts to have high schools.

Besides Ponsford, Larson lists five "Indian" grade schools which send their graduates to "white" high schools in other districts. They are White Earth (Waubun High School), Naytahwaush (Mahnomen), Vineland (Onamia), Nett Lake (Orr) and Bishop Whipple (Morton).

At community meetings where voluntary consolidation was discussed, according to Bettner, some white parents would get up and ask: "Does this mean that my kids would have to go to school with the Indians at Ponsford?"

Whereupon, at one meeting, an Indian leader rose to inform white listeners that Indians didn't want consolidation any more than they did.

RESERVATIONS PROVIDE LITTLE REGULAR WORK

(By Sam Newlund)

Hank Smith, 54, can take you into the woods north of Ponsford, Minn., and show you mixed acres of birch, aspen and "popple," and demonstrate how he and other Indians can pick up a little loose change by power-sawing pulpwood.

Before Smith clears a profit he has to figure items such as "stumpage fees"—the charges paid for the cutting privilege—and the cost of hauling the pulp to a sawmill. He also must pay the cutters who work for him.

Pulp-cutting, which in Indian country usually is synonomous with "working in the woods," is common on wooded reservations, like Minnesota's.

But it's seasonal work, and it's had meager effect on the stubborn problem of jobs for reservation dwellers.

So has just about everything so far—including some of the newer "great society" programs the goal of which is economic development and job-making.

Smith wanted to cash in on one of these programs by getting a low-interest small business loan under Title IV of the Economic Opportunity (antipoverty) Act and open a gasoline station in nearby Park Rapids, Minn.

The Small Business Administration (SBA) approved the loan—$6,000 repayable in 15 years at 4 per cent interest—but now Smith has second thoughts about whether he can make a go of it.

If he decides to try, he will pay the Mobil Oil Co. $150 a month rent. "I've got to sell a lot of gas to pay that," he said.

SBA loans under the antipoverty act go a step further than the SBA loans that have been available for some time. Their terms are even more liberal.

Their aim is to enable low-income persons who have potential for running a business, but neither cash nor credit.

But the pogram has not been heavily financed by Congress, and in Minnesota only seven loans totaling $74,000 have been approved, all on the White Earth Reservation. Smith's is one of them.

Most SBA loans go to cities, not places like Indian reservations, because "we are faced with a situation where we must decide on the best possible use of limited resources," an SBA spokesman in Washington, D.C., explained.

But is the reservation job picture improving any?

Jobs still are in short supply on Upper Midwest reservations, which typically are bedeviled by isolation from centers of commerce, poor farm land and anemic tax bases.

There are small private and tribal enterprises here and there, which help a little, but nothing so far of massive impact.

(The exception, noted earlier, is the distribution of jobs under the poverty-war Community Action Program.)

On Minnesota's Red Lake Reservation, a recent economic development report noted that less than 10 per cent of the work force was regularly employed.

About 20 to 30 per cent work seasonally as fishermen, pulp cutters or wild rice harvesters, but the rest "must rely upon relief or welfare payments in order to subsist," the report said.

And Red Lake generally is regarded as perhaps the "best off" reservation in Minnesota.

Red Lake has a fishery and a small cedar-post plant operated by a Michigan firm. Tribal leaders are dickering with government and industrial sources for a furniture factory and industrial park.

Last month, the new Economic Development Administration (EDA) granted the tribe $200,000 to help rebuild its burned-out sawmill.

In all, the tribe is shooting for $1,878,000 in EDA, state, commercial and tribal money to build the industrial park, furniture factory and rebuild the sawmill.

The furniture plant would be run by Eisen Bros., Inc., Hoboken, N.J. It would employ, the tribe hopes, 156 Indians the first and second years of operation and more than 219 later.

If these plans materialize they would be among the most ambitious on reservations in this area.

At Mille Lacs reservation, where leaders say 9 out of 10 reservation families make less than $3,000 and per-capita income is $625 to $675, a private charitable group called Mille Lacs Foundation has been formed to work as a "catalyst" to industrial development.

The foundation, with backing of several prominent Twin Citizens, established a small garment factory in nearby Onamia, Minn. The foundation's aim is to get industry to the reservation and raise industrial development money to augment public funds.

The Bureau of Indian Affairs (BIA) has several job-directed programs in the works—a revolving loan fund for new enterprises, management of timber sales, road building, economic resource studies and the like.

Generally, though, it probably still is true that more reservation income is produced by seasonal activities such as pulpcutting, wild rice harvesting and tourism than by more permanent jobs.

And for Indians working in small resorts, lodging houses and restaurants, the difficulties of earning above the "poverty line" is the same as for white workers in rural areas. There is no federal minimum wage for these industries, and the state minimum for the smallest towns ranges from 75 to 85 cents an hour.

Even 85 cents an hour, 52 weeks a year, comes to only $2,184, well below the $3,000 poverty line. And such jobs rarely are year-'round.

The Public Works and Economic Development incorporated many benefits of the old Area Redevelopment Administration (ARA), was approved nearly a year ago. It is the "great society" program that appears to have the greatest potential impact on the reservation job picture.

It provides loans and grants for facilities (such as roads, water and sewerage) that will attract industry, low-interest loans to industries locating in depressed areas and technical assistance.

On Minnesota reservations, the only EDA money allocated so far is the $200,000 to rebuild Red Lake's sawmill (insurance money will bring an additional $80,000.)

Other EDA money is being funneled to reservation areas, such as the $83,000 awarded to the village of Cass Lake, Minn., for sewer, gutter and street paving work. (William Stava, CAP director on the Leech Lake Resrevation, which surrounds Cass Lake, said there was no co-ordination with Indian anti-poverty officers and that the project probably would have little direct benefit for Indians.)

Of the 11 Upper Midwest reservation CAP directors who returned a Minneapolis Tribune questionnaire, only one said EDA has made a "significant impact" on reservation economies. Several EDA applications, however, were in the works.

Where Indians have developed tribal enterprises, details still were pretty much subject to approval of the BIA.

At Red Lake, for example, BIA rules—published in the Code of Federal Regulations—authorize the tribe to engage in its commercial fishing operation. The code prescribes the fishing season, tells who must market the fish and sets penalties and quotas.

Since the quotas for walleyes, perch and other fish are fixed, the addition of more Indian fishermen who bring their catches to the fishery "simply means that more persons are dividing a fixed amount of money," an economic reports points out.

The federal code also says fishing "may be suspended by order of the secretary (of the interior) at any time."

BIA officials say such codes usually are drawn up by the tribes themselves, in cooperation with the bureau, and thus represent tribal desires.

But reservations such as Red Lake can point to hopeful signs. The interest of an out-of-state furniture company in building a plant on the reservation is one. The advantages, besides EDA financing, include ample supplies of labor and timber.

Timber, says Roger Jourdain, Red Lake tribal chairman, is "the hub of our economy."

Can the tribe offer an outside employer a good work force?

"Listen, my friend," said Jourdain, "you bring the industry to the reservation, and I'll show you good work records. When work is available, the record here can stand up against any doggone work record in the Twin Cities."

MARKETABLE SKILLS HELP INDIANS GET AHEAD

(By Sam Newlund)

Uncle Sam has bet nearly $3,000 that part-Indian Joseph Gonier will break permanently from the job sterility of his reservation birthplace, land feet first in the hurly-burly of city life and disappear among hordes of self-sufficient Americans.

Husky, strong, and quietly confident, Gonier has just graduated from an 88-week electronics course financed by the Bureau of Indian Affairs' (BIA) employment assistance program.

He has landed a job with Honeywell Inc., and is slated to work as a computer maintenance man at $117 a week after additional training by Honeywell in Massachusetts.

Gonier, 25, is one of many Indians the government is trying to equip for the job market by teaching them a trade, or, if nothing else, taking them a step or two in the direction of employability.

Job training, realistically in tune with the job market, is a key ingredient of any "Great Society" or poverty war effort.

The BIA calls its adult vocational training program "a big gun" in its own "war on poverty." The program has been around since 1958 but its Congressionally-authorized spending account has quadrupled since then.

The nearly $3,000 spent on Gonier under this program, Public Law 959, included tui-

tion, books and materials at Northeastern Television and Electronics Institute, Minneapolis. It included transportation from his home on the Nett Lake reservation, plus $210 a month living allowance while going to school.

If Gonier needs some cash to tide him over until his first Honeywell check arrives, he'll get that, too.

The bureau has been plodding quietly along with its vocational training program while several newer schemes with roughly the same objectives for the poor work force, Indian and otherwise, have been rolling out of Congress.

Some newer programs, aimed at boosting "employability" if not job skills, include:

Manpower Development and Training Act (MDTA)—Like the BIA's Indians-only vocational program, it can provide vocational training in trade schools or on-the-job, with living expenses paid.

Work Experience (Title V)—This section of the Economic Opportunity (antipoverty) Act (EOA) offers remedial education, on-the-job "work experience" and counselling for jobless household heads in welfare families.

Job Corps—Under the EOA, this provides away-from-home basic education and job training for youths. Larger urban centers offer specific skills training. Smaller rural centers concentrate on remedial education and "work experience," like brush clearance in national forests.

Neighborhood Youth Corps—Also for youths, it allows them to stay home, earn some money, maybe go back to school or stay in, maybe learn how to hold a job, maybe learn a skill. Projects can be anything "public."

The BIA's adult vocational training program, like most bureau services, is for Indians who live "on or near" reservations. It is tied in with the bureau's relocation program, under which the bureau helps migrating Indians get established in cities. In Minnesota, at least, nearly all trainees leave the reservations to get it.

According to the bureau's Minneapolis area office, there are 132 Minnesota Indians in BIA-financed trade school training, 44 in the Twin Cities and 81 in other cities from Ohio to California.

Indians sometimes grumble that this training is fine—if you want to go where you can get it (the number of cities where training is available is limited.)

Some Twin Cities Indians grumble that it is fine—if you want to apply for it while you're still living "on or near" the reservations.

The degree that MDTA trade school training has helped Indians is hard to pin down, since records up to now didn't include the racial background of enrollees.

But until a few weeks ago, on-the-job training under MDTA obviously has had little impact for reservation Indians, at least in Minnesota.

P. Wesley Johnson, regional director of the federal Bureau of Apprenticeship and Training, said MDTA on-the-job training "doesn't apply to a situation like an Indian reservation."

A vicious circle often got in the way. Under MDTA terms, an employer can't offer on-the-job training unless there is reasonable assurance that the newly-training workers will be hired. But the number of employers around reservations who have a potential for new workers is pretty skimpy.

On Minnesota's Leech Lake reservation, the Community Action Program (CAP) wanted to train 10 carpenters with MDTA funds while they worked on home construction projects. MDTA officials rejected the plan at first on the grounds that the jobs would fizzle out when the project was completed.

But later, according to the office of Sen. WALTER F. MONDALE, D-Minn., MDTA on-the-job training was approved for 90 Indians working on public housing construction projects at Leech Lake, White Earth, and Red Lake reservations.

On North Dakota's Turtle Mountain reservation, CAP people apparently satisfied MDTA in planning the construction of a community center. MDTA funds there would pay for on-the-job training of Indian construction workers.

The assurance of job opportunities upon completion of the project was given by building trades unions at Minot, N.D. The unions also would furnish on-the-job instructors.

Six miles down the road from Turtle Mountain headquarters, on the main street of the county seat at Rolla, a sign says, "Title V Office." About everybody knows what it means.

For some 165 Indians on welfare it means work and remedial education, with second-year funds totaling more than $700,000.

One of these families is the Leo Martins. They live in a two-room clay and straw hut. During the spring thaw, the hut was surrounded by deep black mud and thick, thorny underbrush.

Martin is a thin, 29-year-old Chippewa who has never strayed far from the reservation's knobby terrain. He is semi-literate, although welfare records vaguely indicate that he went as far as "the fifth or seventh" grade.

He has five children, three stepchildren and a pregnant wife.

Martin has never held a steady job, partly because he can't read or write very well and partly because there isn't much work to do at Turtle Mountain. On occasion he has migrated to the Red River Valley to harvest potatoes.

Title V for the Martins (the name is fictitious) means besides work, that their monthly welfare aid is augmented considerably by the Rolette County Welfare Department.

The work may look like "make-work" to some. Much of it could only losely be called on-the-job training. But welfare officials who run the project say the first step out of poverty must be learning work habits. Learning skills is only part of the story.

One of Martin's recent chores took him and his paint brush to the filthy, dilapidated county jail. He and other Title V workers were trying to make it fit for its occupants.

He knocks off work at 4:30 p.m. twice a week for an adult education class which Title V conducts in the BIA-operated school on the reservation. This is part of his Title V obligation.

At one time, explained Garmann Jorgensen, county welfare director, Martin said he wanted to be an auto mechanic.

"The trouble is," Jorgensen said, "he can't read the manuals."

CHIEFLY: TOO MANY INDIANS, NOT ENOUGH LAND

(By Sam Newlund)

Last October, Lyle Keeble of Grenville, S.D., ripped open an envelop from the Bureau of Indian Affairs (BIA) office in Aberdeen, S.D.

It contained a government check for $1.19, his annual share of rental income from his part "ownership" of 80 acres of Indian land on the Sisseton Sioux Reservation.

Keeble, a 20-year-old Sioux, gets $1.19 a year because he is one of 30 heirs to a marginal piece of property now being leased for grazing.

This tract is part of the 108,000 acres on the Sisseton reservation that were chalked off under the General Allotment Act of 1887 and parceled out to individual Indians. The plots were 40, 80 and 160 acres.

The growing number of heirs to this land—and the inability of the multiple owners to use or dispose of it profitably—is called "the heirship problem."

Five years ago, the BIA estimated that one-fifth of the 12 million acres of Indian land held in trust by the government throughout the country had multiple heirs—six or more. The picture hasn't changed much since then.

If Keeble's lease income seems like peanuts, the BIA agency at Sisseton can top it. Records are kept there on lease incomes of one cent a year.

Since the bureau disburses no checks for less than $1, it would take a penny-a-year Indian 100 years to accumulate enough to receive a $1 check.

Because the heirship problem is a land problem, it involves not only the Indian's greatest economic asset but his way of life. Land and life to the historic Indian were inseparable. To many Indians, it still is.

When the General Allotment Act was adopted, Congress felt the solution to the Indian problem was to chop of many of the reservations into checkerboard squares, allot each Indian a parcel and let him become a family farmer.

Land not needed for these allotments was sold to outsiders, the proceeds to be held in trust for the Indians' benefit.

It didn't work. Farming, when done by Indians, was considered woman's work. And many allotments were too small to be good "economic units."

Rather than adopt the white man's private property system, many Indians sold their allotments at bargain prices (they could do so in those days without the present restrictions.)

The result can be seen at "reservations" like Sisseton. This pie-shaped area, mostly in northeastern South Dakota (the pie crust crosses the North Dakota border) is a crazy-quilt of Indian-allotted lands and white men's holdings.

Generally, the marginal, rocky acres make up the Indian allotments. Most of the rich farm country long since has been acquired by white farmers.

To sell a piece of allotted land, all the heirs must agree. There may be hundreds of heirs, and the number is growing.

It is even a matter of interpretation whether Indians "own" their allotted land. Since the bureau holds the land in trust for the Indians, it is the bureau which does the leasing. (At Sisseton, the bureau leases to the highest bidder.)

An Indian cannot sell allotted land as long as it is in trust, a bureau official at Sisseton told me, because "you can't sell what you don't own."

If an Indian wants to gain clear title to his allotted land through a fee patent (with the right to sell), he can do so if the bureau decides this is "to his best interest," the official said.

The dilemma, under present laws and rules is this: Either leave the land fragmented and economically a drop in the bucket, or issue fee patents and run the risk of further whittling away of property with income potential.

One unhappy form of whittling would be loss of land through tax forfeiture. As long as land is held in trust it is tax-free.

Reservations in Minnesota and elsewhere have similar problems, although Sisseton's is considered one of the worst.

Thus, about 2,250 individuals share in the total of $200,000 in annual lease income on Sisseton lands. This averages about $88 per person, per year.

One of the Sisseton heirs is Joseph Renville, one of 150 shareholders in what is now a 120-acre tract. Some of it is tillable; some is good only for grazing.

It is leased for $421 a year, or about $3.50 an acre. The heirs' share of the rent money ranges from one cent to $27.50 a year. Renville's is $5.27.

Renville's grandfather—receiver of the original allotment—was Chief Gabriel Renville, a trusted ally of government troops in mopping up operations following the Minnesota Sioux uprising in 1862. (Renville County, Minn., was named after Gabriel Renville's uncle.)

Renville lives in the town of Sisseton now, but he grew up on the allotted parcel. He showed me his grandfather's grave atop a rocky hill overlooking a dusty road, a grove of box elders and the site of a 19th century Indian agency.

Renville has no ready solution for the heirship problem. Understandably, he had forgotten the exact amount when I reminded him that his old homestead now yields him $5.27 a year.

What to do about the problem has befuddled Congress, Indians and the bureau for years.

In its report confirming the nomination of Robert L. Bennett as new Indian commissioner this year, the Senate Committee on Interior and Insular Affairs charged that "the bureau has given lip service to correcting this very serious administrative problem, but has made no discernible progress toward solving it."

The committee asked the bureau to submit corrective legislation "at an early date."

Five years earlier, Sen. FRANK CHURCH, D-Idaho, then committee chairman, said the problem's solution would be "the biggest single contribution toward the economic advancement of the Indian people."

At Sisseton, one possible solution being discussed is consolidation through land-holding corporations, with heirs given corporate shares in proportion to their interest in the land.

Tribal enterprises, such as cattle operations, conceivably could be profitable if the tribe could gain control of consolidated tracts.

At least, land could be leased more profitably if holdings weren't divided in such small, arbitrary units.

Pointing out scenes of his childhood, Renville was certain of one thing: his land mustn't be lost to "private people."

When that happens, he said, "the first thing you know, some fellow has built a fence and posted 'No Hunting' signs."

The Indian, he pointed out, is "used to running around."

CONFUSED INDIAN TRIES CITY LIFE

(By Sam Newlund)

"And for those who still survived, what was there to being an Indian? Loneliness, the lost feeling of belonging to a tiny, dwindling, despised group surrounded by an overwhelming sea of aliens. Loneliness, and the long waiting for the end so clearly to be seen."

Historian Oliver LaFarge thus described the Indian predicament when the red man's extinction seemed imminent.

And although the Indian survived and multiplied, "the overwhelming sea of aliens" aptly describes the view of the bewildered Indian who seeks to transplant himself in 1966 from the reservation to the city.

The Great Society and the not-so-great hodgepodge of efforts to help the newly-arrived Indian in the Twin Cities over the past several decades have failed to make much of a dent in the problem.

In proportion to his numbers, the Indian migrant still shows up too frequently on skid row, welfare and unemployment rolls, in jail and hospitals.

He still is confused and embittered by application blanks, personnel tests, time clocks, police, receptionists, social workers and fast-talking bosses with white collars and white faces.

It bears repeating that some Indians fit nicely in the dominant society. Their collars are just as white, their martinis just as dry, their lawns just as well-clipped.

The tragedy is that those who join "the mainstream" leave a partial-vacuum of leadership among those who don't. The latter are the hard core that reporters write about and the public hears about.

If you take time to gain an Indian's confidence he may tell you how it feels to move to the city.

A young Indian man told me he hitchhiked from a northern Minnesota reservation to Minneapolis with 50 cents in his pocket. He found his father, whom he hadn't seen in a decade, working as a handy-man in a downtown cafe, and he moved in with him, sharing his one rented room.

The white people he met, the young man said, were like they are anywhere—too busy to be helpful, too suspicious and stand-offish. One of his first acts was to drift almost instinctively to a concentration of cheap "Indian bars" where he would find some of his own kind.

He got a dish-washing job, but he felt no compulsion to show up regularly. Frequently he would skip work, drinking instead "to forget."

"You can always get a drink," he said. "Somebody will always give you a dime."

At night he sometimes "rolled" white pedestrians.

"I'd walk up and say, 'You got a match?' Then, smash!" He gestured with a clenched fist.

"I'd take 10 or 20 dollars from the guy to my wife and kids, then take a dollar for myself and go out and get drunk."

Once, his 4-year-old daughter was sick with convulsions. He took her to General Hospital and was told "you'll have to wait in line."

"I'd grab nurses as they came down the hall, and they'd just say wait your turn."

Finally, he said, a nurse realized the girl was seriously ill—with meningitis—and got immediate help. She survived.

He told of going to the Minneapolis Relief Division for a food order and being angered by requirements that he collect proofs of his residence. He got help, he said, when he threatened to go out and rob somebody.

The Indian's troubles with welfare agencies and hospitals are among the most frequent complaints, often because of the residence requirement.

It used to be two years, but now an Indian—or anybody else—must live in Minneapolis for one year without public assistance before he is eligible for general relief. This, however, does not rule out help in dire emergencies.

Tom Olson, former social service chief at the Relief Division, said recently-arrived Indians who asked for relief usually would be given a three-day order for food and lodging.

Meanwhile, a caseworker would contact the county from which he came. If the county didn't want to foot the bill for the applicant's relief, he probably would be offered bus transportation back home, Olson said.

Most Indians, a social worker said, "are just plain passive" and welfare agencies have trouble finding out much about them.

"We've had this happen many times. You give an Indian a slip to fill out in the waiting room. We come back a while later and he's disappeared."

Medical care on the reservations generally is available through U.S. Public Health Service hospitals, contracting doctors or public assistance, for those receiving it.

In Minneapolis, Indians not eligible for welfare have roughly the same problem getting medical care as they do getting help for food, clothing and shelter.

The residence requirement, which a General Hospital official called "archaic and maddening," again gets in the way. The hospital will provide emergency care, and may even stretch the definition of what that means.

But if an indigent patient is not on welfare (welfare would pay the bill) and if he hasn't lived in the county for a year, the patient's hospitalization isn't "encouraged."

University of Minnesota hospitals also accept non-emergency poor patients if some county welfare department will pay the bill.

What happens too many times, my General Hospital source told me, is that Indians "probably don't get any care."

Proposals for a permanent Twin Cities employment bureau catering especially to Indians have been kicked around for years. The rationale is that Indians, because of their fear and distrust of regular employment offices, need a place of their own staffed by persons sensitive to their special needs.

Off-and-on experiments have been conducted under partial sponsorship of Edward F. Waite Neighborhood House in Minneapolis.

Reporting on the most recent operation, Waite House said 571 Indians came to the center for jobs in less than a year, and 235 were placed. After six months, a survey disclosed that only 20 out of of 120 Indians placed were still on the job.

Employers, according to the report, were generally sympathetic. "Yet, because they have businesses to operate and they are there to make a profit, many of their experiences with the Indians made them discouraged."

An effort is under way to bring the poverty war specifically into the Minneapolis Indian picture. Hiawatha's House of Bargains, a combination second-hand store and Indian social service organization, has submitted a $1 million appliaction for a Community Action program of education, vocational training and social service.

Complaints that the Bureau of Indian Affairs (BIA) is ignoring the needs of Twin Cities Indians who have migrated from the reservations have come to a head the last several weeks.

"We want to be served like humans, not like quantities of land," pickets told the BIA's Minneapolis office.

Management of Indian land is a prime BIA concern. And educational, welfare, vocational, relocation and other BIA benefits have been largely limited by policy to Indians living "on or adjacent to" reservations.

The bureau appears to be ready to bend a little on that point. Directors of the now-defunct employment center asked BIA officials in Minneapolis to seek bureau approval for financing an expanded operation. This would include counselling on housing, vocational training and job placement.

Local BIA officials are awaiting word from Washington of the program's approval.

Glenn Landbloom, BIA area director, acknowledges that many people believe that if the bureau is to help Indians it should help them "wherever they are."

Asked if he agreed, Landbloom replied, "Yes, I believe I do."

The Indian who came to Minneapolis with 50 cents in his pocket had some advice for members of the Great Society who earnestly want to understand why Indians haven't joined it.

"Do not judge a man until you have walked in his moccasins seven days," he said. "That's what I say to the white man.

"If you want to know about the Indian, his feelings, his anxieties, go and live among him. Forget your cars, your buses, your fancy words and fancy clothes. Go among the Indian and live the way he lives.

"Then you will know."

PEACE IN THE WORLD

Mr. KENNEDY of Massachusetts. Mr. President, a newspaper editorial on the

subject of peace, which was printed in the Brighton-Allston Citizen and the Brookline Chronicle Citizen in Massachusetts on December 30, 1965, has been named the best editorial in a weekly newspaper by the International Conference of Weekly Newspapers. Its writer, Editor Owen J. McNamara, received the organization's Golden Quill Award for the editorial. I congratulate Mr. McNamara for the award, and for the fine editorial. I ask unanimous consent to have the editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PEACE IN THE WORLD—TOO FAR BEYOND OUR REACH?

There is a queer paradox to our times. All of us who have reached the age of reason have a deep longing for peace in the world. Yet we feel it is too far beyond our reach, too utopian to even discuss.

As ridiculous as it sounds, most Americans are sure man will stand on the moon by 1970, but we will never admit that he will stand a chance of peace by the milennium. We breezily speak of the day when we all will have helicopter pads on the roof, the day when there is no more heart disease or the day we can shop by computer. Yet few believe that man will someday be able to abide with his brother in peace.

We make war on poverty, war on the dollar drain, war on illiteracy, but never consider a war on war.

To those who have been bred on war—the grandfathers who were at Verdun, the fathers who served at Guam, the brothers who went to Korea, the sons who fought at Da Nang—war has been the human condition in this century, as it has in so many others.

We laugh at the old fable that says one of our political parties is "the War Party" and we scorn the tired cliche that wars are only "created" to make munitions-makers rich. We know, deeply and with unshakable certainty, that mankind is foolish to put itself in a position where he must resort to war. Man learned to talk eons ago, but even in this age of sophistication, he talks too little and wars too frequently.

Here is the ultimate foolishness: we defend war with belligerence and pursue peace meekly.

There is a ghost walking in this world that must be laid to rest: the truism that only Communist sympathizers want peace in Viet Nam. It is unfortunate that in the recent shrill national dialogue over Viet Nam, the issue has been narrowed down to fit similarly narrow minds until only two sides emerge: the Vietniks who want "peace," and "the others" who support the war. This is not a true picture of anyone's feelings. We all want peace, whether we are supporters of the administration's policies, members of the armed forces, student demonstrators or simply members of the great confused middle.

No one wants a war. No one wins in war. Soldiers know that and students know it. But somehow it all becomes lost in the national hollering match. What has come out of all the contention over this war is a vicious set of standards: if you say this, you are a This. If you say that, you are a That. Peace and its meaning are buried under a pile of nasty labels.

But still the idea of peace cannot be completely lost. It crops up in peoples' thoughts: a G.I.'s Viet Nam Christmas is made a bit more bearable by the thought that "it'll be over, perhaps, by next year." A father whose son is scheduled for military service faces up to it and is proud his son will do his part—but he is buoyed by the hope that "someone" will do something to end the war. A State Department official keeps plugging away at his job and hopes—and hopes. And many, many others pray for it, although all that many have known in their lifetime has been the Cold War version of peace.

But real peace would not be like the nervous Cold War stand-off which we have become used to. Real peace, like truth or goodness, is inimitable. It is or it is not. What the Communists want is not peace, as we conceive it. They would like a suspension of hostilities, truce as a time for regrouping. Peace to them would be like hymn-singing in an evangelist's tent, a period of softening up for the hard sell to come.

Peace to us would be a time for planning, a day to make life in a new world, a blessed respite in a time of bombast and conflict, of dire warnings and last-chance diplomacy.

Our version of peace is undoubtedly the better of the two. But is not a mere cessation of fighting one step along the very long road? If we silence the guns, have we not accomplished one important thing?

How to win the peace? Ironically, the first answer is that we must fight harder and with greater determination and make the signing of a truce desirable to our enemies. Does this include changing our methods, going "further north" or using a wider range of weapons? We think not.

We must work with every ability at our command to get the enemy to the conference table. We must find, between our version of peace and that of the Communists, a common ground to at least bring the world to rest.

But when the shooting stops, our job will only have begun. Because then we will have to find a way to rid the world of its nuclear neurosis. Driven by our knowledge of Nagasaki and Hiroshima and by the fact that we are not alone in possession of nuclear weaponry, we must seek to outlaw their proliferation. Perhaps a good starting point for world agreement on disarmament would be President Kennedy's nuclear test ban treaty.

Finally, when peace—however shaky—is achieved, we must work to maintain it. We must wage "war" on an economic plane—we must awaken to the fact that there are other people in the world, people who will cause war or at least be the cause of war unless we are aware of their needs and their hopes.

Peace, as sometimes invoked, is a contradiction in terms. Peace "here" is a grand delusion; peace "now" is a cruel dream. Neville Chamberlain's "Peace in our time" was a fatal fantasy, since peace must be for all men everywhere and be intended for all time.

Before World War III comes raining on us, let us realize that brotherhood begets peace, that reason begets peace, that strength begets peace. Let us fight for peace, but not seek that wider war that brings us to the day of chaos. Let us have peace. Let us think of peace and talk of peace. Let us, as the most powerful country on earth, declare peace against the world.

Peace on this planet, however desirable, would be futile indeed if none of us were here to enjoy it. Cinders and rubble, drifting gases and the low life of lizards would have a long wait before "intelligent" creatures like man came this way again.

REGULATION OF FIREARMS

Mr. DODD. Mr. President, one of the best editorials that I have ever read on the question of firearms regulation was carried by the Norwich Bulletin on August 22d.

This editorial goes directly to the heart of the opposition's tactics when it states:

Aware of rising public sentiment for federal law to regulate the sale of firearms, some opponents of gun control legislation have changed their tack. Instead of opposing such legislation outright they have launched an attempt to water down proposals now before Congress.

Another paragraph of this excellent editorial is especially significant, I feel, since it responds to the frequently heard cry of the opponents of any and every type of gun control measure that we are trying to capitalize on the tragedy in Austin, Tex.:

It is nevertheless worth passing note that the two cases which have given the chief impetus to gun control legislation—the assassination of President Kennedy in Dallas and the more recent Texas tower rampage in Austin—both involved rifles. This at least suggests that any gun control law intended to make it harded for psychopaths and criminals to get their hand on weapons ought to include more than handguns alone.

I ask unanimous consent to have printed in the RECORD this fine piece of editorial comment, as well as a number of other outstanding commentaries from Connecticut, in support of reasonable controls over interstate traffic in firearms, as follows:

An August 5 and August 9 editorial from the Greenwich Times;

An August 11 editorial from the Colchester Citizen, entitled "Guns for Everyone?"

An August 5 editorial from the Bridgeport Post; and

Two editorials, dated August 5 and 11 from the Danbury News Times, entitled "Control of Gun Sales Is Needed" and "Effective Gun Laws Are Necessary."

Each of these articles presents a good case in support of effective gun laws, as do many other editorials from Connecticut and other newspapers across the country.

I hope my colleagues will have the time to read these newspaper writings.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Norwich Bulletin, Aug. 22, 1966]

INCONVENIENT APPROACH

Aware of rising public sentiment for a federal law to regulate the sale of firearms, some opponents of gun control legislation have changed their tack. Instead of opposing such legislation outright they have launched an attempt to water down proposals now before Congress.

Senator HRUSKA of Nebraska led the troops with a denunciation of Senator THOMAS DODD's gun control bill as a blunderbuss approach because it would include shotguns and rifles as well as handguns in interstate mail order regulations. He submitted a substitute measure which would leave unchanged the present law with respect to rifles and shotguns, though it would tighten regulations on handgun sales.

Though it may be irrelevant, it is nevertheless worth passing note that the two cases which have given the chief impetus to gun control legislation—the assassination of President Kennedy in Dallas and the more recent Texas tower rampage in Austin—both involved rifles. This at least suggests that any gun control law intended to make it harder for psychopaths and criminals to get their hands on weapons ought to include more than handguns alone.

Senator HRUSKA and others against adequate gun control do make one valid point. As the senator said, there is a question as to how guns can be kept out of criminal hands

without inflicting undue and harmful limitations on those who have rights and necessities to purchase, possess and use firearms legally, legitimately and beneficially."

The question can be answered. The Dodd bill would make it somewhat harder for such persons to buy guns, but far from impossible; it is a matter of relative convenience. And much of our legal structure is devoted to advancing the general good at some inconvenience to individuals. The proposed gun control law would certainly do that.

[From the Greenwich Times, Aug. 9, 1966]

PROPOSED GUN LAW

We expressed the hope, in the aftermath of the mass killings in Texas, that the 1967 session of Connecticut's General Assembly would consider legislation regulating the sales and possession of rifles and shot guns. We now learn that State Sen. Charles T. Alfano of Suffield is going to sponsor control measures when the Legislature convenes in January. Mr. Alfano, a Democrat and the assistant Senate majority leader, was also the sponsor of state laws regulating hand guns enacted by the 1965 session. He says now that some or all of the provisions of the hand gun law will be written into the rifle control legislation.

The hand gun law requires a waiting period of one week between application for a gun and its delivery. During this period the applicant's record is reviewed by local and state police. No gun can be sold to any person ever convicted of a felony. Just how the hand gun legislation can be fitted into measures covering so-called long guns remains to be seen. But no doubt it could be modeled after the bill introduced into Congress by Sen. THOMAS J. DODD that, among other provisions, requires purchasers of shotguns to sign affidavits disclosing their identities, addresses and felony records, if any. Sen. Alfano deserves congratulations for taking the initiative so quickly in this important matter.

GUN LEGISLATION

The long campaign of Connecticut's senior senator, THOMAS J. DODD, to bring some control to the indiscriminate mailing and selling of guns now seems likely to prove successful. President Johnson, in the aftermath of the tragic mass killings at the University of Texas, has finally put the prestige of his office behind legislation sought by Sen. DODD that would add rifles and shotguns to the provisions already covering hand weapons. Up to now, the measure has been blocked in committee by a few senators and the potent, powerful gun lobby.

Sen. DODD is the first to admit that his bill would not have prevented the Texas tragedy. But he makes the point that it could have acted as a deterrent. He explains that if it had been on the books, the retailer who sold the gun to the mass murderer at the university would have been required to get positive identification. The bill's provisions require that purchasers of rifles and shotguns sign affidavits disclosing their identities, addresses and felony records, if any. The Connecticut Democrat reasons that the mere requirement of identification might have caused the killer, Charles Whitman, to hesitate and perhaps change his plans for the wholesale slaughter.

We wonder, now, if the states themselves cannot implement possible federal legislation by adopting stringent anti-gun laws of their own. New Jersey is attempting to do just that. It has a law, presently being challenged, that prohibits the sale of firearms to drug addicts, ex-convicts, goofball and pep pill users, habitual drunkards and certain physically handicapped and mentally handicapped persons. New York State also has a law, known as the Sullivan Act, that imposes strict regulations on weapons, but only those that can be concealed on the person. We suggest that the 1967 session of our own General Assembly might well consider some kind of legislation that will prevent future tragedies such as the one in Texas.

[From the Colchester Citizen, Aug. 11, 1966]

GUNS FOR EVERYONE?

We were shocked, as we know the rest of the civilized world must have been, when we heard that a sniper had killed 15 persons and wounded 33 others during a wild rampage in Texas.

And we were disturbed when we read an advertisement in The New York Times a few days later, headlined "Carl Bakal Tried To Warn You." The message stated, in part: "The sniper's personal arsenal included three high-powered rifles, a shotgun and a German automatic pistol. Of course you're shocked. But you should be outraged, because it can happen again, anywhere, anytime.

"If you want to know if anything can be done to prevent a repetition of the massacre, read 'The Right To Bear Arms.' It will stand your hair on end. Carl Bakal's fully documented account of the massive and legal gun traffic in the U.S. may be the most important book you will ever read. It's in the same tradition as 'Silent Spring' and 'Unsafe At Any Speed' and it will produce the same results, if enough people get angry enough to demand protection.

"In this country you need a license to keep a puppy, take a wife or drive a car, but anyone can own a gun. Anyone can be the next victim of a careless neighbor, a near-sighted hunter or that nice guy next door who suddenly goes berserk. Can something be done to stop the slaughter of 17,000 men, women, and children who will die of bullet wounds this year?"

Yes, we believe that something can be done, and must be done. We frankly don't know whether Sen. DODD's bill, or something like it, is the answer, or whether an entirely new approach is needed. That is for the experts to determine.

But obviously, when someone as mentally and emotionally unstable as the Austin sniper can assemble such an arsenal so easily, something is radically wrong and corrective action must be taken. It is probably true, as opponents of gun purchase restrictions claim, that no legislation can be enacted and enforced that will prevent all such tragedies as occurred in Dallas on Nov. 22, 1963 and in Austin last week, but realistic legislation in this area can certainly prevent at least some such tragedies. And the prevention of even one similar occurrence will make the effort worthwhile.

It is indeed unfortunate that it takes a day like Monday, Aug. 1—a day on which more Americans were gunned down on the campus of the University of Texas than on the battlefields of Vietnam—to make us realize that perhaps something is wrong with laws that make guns as readily obtainable as a pack of cigarettes or a bag of peanuts.

[From the Bridgeport Post, Aug. 5, 1966]

THE SALE OF FIREARMS

The nation is aroused, more than ever before, because of the apparent ease with which deadly weapons can be obtained. President Johnson, after the terrible mass killings in Austin, Texas, urged the prompt enactment of weapons control legislation now stalled in Congress.

For several years bills aiming at curbs on the sale of firearms have been offered in Congress, but they never reach the voting stage. Even though the bills have been called mild, with no harm to the makers and legitimate sellers of guns, Congress has shied away from them.

Bills to this effect received a lot of attention after the assassination of President Kennedy. But when the shock of that murder subsided, interest in the legislation also subsided. It is to be hoped that it will not follow that course now, when the Austin tragedy is no longer front-page news.

Right now, in deep slumber in the Senate, is the bill offered by Senator TOM DODD of Connecticut, designed to curb uninhibited traffic in mail-order firearms. That bill was introduced after two-and-a-half years of work by the Senator's Juvenile Delinquency subcommittee.

After the President was killed by a mail-order gun, public support for stricter regulations gathered like a mushrooming hurricane. In the weeks following the Dallas tragedy, 17 bills in addition to Senator DODD's were introduced and more than 170 laws were proposed in state legislatures. At the time it seemed certain that the Dodd measure would pass. But it is still allowed to rest peacefully.

Legislation will not prevent tragedy. Everyone knows that. But it will reduce the unlawful acquisition of guns, and their use by mad persons and hardened criminals. Most states have no strict laws against the purchase of guns, but some do, and it would be wise if the majority would enact similar legislation at once.

Last March, the President asked for legislation curbing mail-order sales. In May, Senator DODD's subcommittee presented the bill which Mr. Johnson approved, yet today, it is sleeping in the Senate Judiciary committee.

Majority Leader MIKE MANSIELD told Senator DODD to push hard for his bill and Senator EVERETT MCK. DIRKSEN, minority leader, expressed the need for such legislation. Other Senators, of both parties, committed themselves to its support. Others said, weakly, that it was deplorable to trade on aroused emotions.

Now we have the President's word that he is going to press for enactment. The nation needs action now before another deranged person will have the opportunity to acquire an arsenal of death through the U.S. mails.

[From the Danbury News-Times, Aug. 5, 1966]

CONTROL OF GUN SALES IS NEEDED

This week's tragedy on the campus of the University of Texas is further evidence of the need for stronger state legislation on the sale of guns and for effective federal legislation governing the mail order sale of guns.

The bill proposed by Sen. DODD of Connecticut to put controls on the mail order and over-the-counter sale of firearms has been before the Senate Judiciary Committee since May, with no indication of when it will be cleared for Senate action.

The so-called gun lobby is a powerful bloc. It has worked to prevent congressional action for many months, ever since the assassination of President Kennedy.

It is about time that Congress takes action. If the Dodd Bill is too strong or too weak, then it should be properly amended.

Then this bill, or one more acceptable, should be enacted.

We agree with President Johnson that a gun control law might not prevent all such tragedies as the one in Austin.

And we do agree with him that there should be restrictions on the sale of firearms "to those who cannot be trusted in their use and possession."

Furthermore, we ask with him, "How many lives might be saved as a consequence?"

[From the Danbury News-Times, Aug. 11, 1966]

EFFECTIVE GUN LAWS ARE NECESSARY

The Second Amendment of the U.S. Constitution is not nearly so well known as other articles in the Bill of Rights. It reads:

"A well regulated Militia, being necessary to the security of a free State, the right of

the people to keep and bear Arms, shall not be infringed."

As a reading of the entire article shows, it concerns the militia, or as we know it today, the National Guard. In time of war, when the National Guard has been mobilized, the duty of the militia has devolved upon the State Guard.

Because the second half of the article has to be read in the context of the entire article, we disagree with one of today's letter writers who asserts that federal firearms regulations would interfere with the constitutional rights of all American citizens.

We find nothing in the article which prevents the federal government from adopting suitable and effective legislation controlling the sale of guns by mail or across state lines.

Nor do we hold with another letter writer that newspapers "scream" about stricter gun laws in the expectation of selling more papers. For all we know, our stand on effective gun legislation may have cost us the sale of a paper or two.

We do say that if there had been effective federal legislation in 1963, Lee Harvey Oswald might not have so easily obtained the mail order gun with which President Kennedy was assassinated.

We do say, too, that the recent tragedy in Texas emphasizes the need for legislation which will make it less likely that guns will find their way into the hands of juveniles, psychopaths and others who do not have the sense of responsibility which should go with their possession.

We have called for proper gun legislation when there's been a public outcry about guns and when there has been public silence.

If the country does not get legislation which is properly restrictive, then the day will come when it gets legislation which is overly restrictive.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FAIR LABOR STANDARDS AMENDMENTS OF 1966

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The bill will be stated by the clerk.

The LEGISLATIVE CLERK. A bill (H.R. 13712) to amend the Fair Labor Standards Act of 1938 to extend its protection to additional employees, to raise the minimum wage, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate resumed the consideration of the bill.

Mr. YARBOROUGH obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield, without losing the floor?

Mr. YARBOROUGH. I yield.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President——

Mr. MANSFIELD. Mr. President, the Senator from Texas has the floor.

Mr. KUCHEL. Mr. President, will the Senator from Texas yield to me?

Mr. YARBOROUGH. I yield to the distinguished Senator from California.

Mr. KUCHEL. Mr. President, I have an amendment, which I am told by the chairman will be accepted; and I wonder if my able friend the Senator from Arizona, whose amendment is pending, will consent that my amendment be called up. It will only take a moment or two.

Mr. FANNIN. I have no objection.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the amendment of the Senator from Arizona be temporarily laid aside, and that the Senate proceed to the consideration of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. I send my amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 61, insert between lines 10 and 11, as a section 307:

"SEC. 307. Subsection (d) of section 4 of the Act, as amended, is amended by adding at the end of the subsection the following:

" 'The Secretary of Labor, after consultation with the Secretary of Defense and the Secretary of State, shall (1) undertake a study with respect to (d) wage rates payable to Federal employees in the Canal Zone engaged in employment of the kind described in paragraph (7) of section 202 of the Classification Act of 1949 (5 U.S.C. 1082(7)) and (b) the requirements of an effective and economical operation of the Panama Canal, and (2) report to the Congress not later than July 1, 1968, the results of his study together with such recommendations as he may deem appropriate.' "

EXTENSION OF MINIMUM WAGE COVERAGE TO CERTAIN EMPLOYEES IN THE PANAMA CANAL ZONE

Mr. KUCHEL. Mr. President, since its construction in the administration of Theodore Roosevelt, the Panama Canal has been a vital artery for the commerce of the Pacific coast of the United States. In 1965, 5,823,000 long tons of cargo were carried between the ports of our eastern and western coasts through the canal, and 6,882,000 long tons were carried between west coast ports and Europe. I believe it is fair to say that no achievement since the construction of the transcontinental railroad has so immediately improved the economic relations of my State of California with the great industrial centers of the eastern seaboard. Even in this modern age, there remains heavy industrial products that cannot be economically transported, or indeed transported at all, except by water. The recent disruption of airline travel has underscored the basic truth that despite advancements in modern conveyance it is still 3,000 long miles across this continent. Our vital national communications remain heavily dependent on the Panama Canal.

Section 306 of H.R. 13712, as reported by the Senate Committee on Labor and Public Welfare, would extend national minimum wage coverage at rates equivalent to those applied in the continental United States to 12,400 employees in the Panama Canal Zone who maintain and operate the Panama Canal. Of these employees, 10,400 are residents of the Republic of Panama whose incomes are earned chiefly from the revenues of the canal and expended in the economy of the Republic.

There are 7,300 employees of the Panama Canal Company and the Canal Zone Government who now receive wages well over $1.60 an hour. Almost all of these are citizens of Panama. The Department of the Army estimates that the gross cost of annual wage increases required under this bill by February 1, 1971, may run as high as $13 million. Operating expenses of the Panama Canal Company for the year ending June 30, 1965, were $118,806,000. Since the overwhelming burden of the increased cost would be borne by the Company and its related activities, it is fair to estimate that the increase in wages will raise operating expenses of the Panama Canal by nearly 10 percent in the next 10 years. The Department of the Army estimates that a portion of the costs extending minimum wage coverage can be recovered from sources of income other than canal tolls and that barring unforeseen expenses anticipated revenues should cover operating costs over the next several years without a toll increase. For the sake of this vital waterway, I hope this turns out to be the case.

Mr. President, I ask unanimous consent that at the conclusion of my remarks a letter addressed to me by the Secretary of the Army be inserted in the RECORD.

Both in terms of sound wage policy and of our great national interest in maintaining the Panama Canal, however, I have grave doubts about the wisdom of extending coverage in this instance:

First, the economic situation in the Canal Zone is greatly different from that in the continental United States and other island territories which might be covered under this act. The present bill continues the policy of exempting the Virgin Islands and Puerto Rico from the national minimum wage levels of the continental United States in order that their economies may be protected against an unduly rapid increase in production costs.

The Canal Zone is different again from the islands of Puerto Rico and the Virgin Islands because it is closely related with the economy of the Republic of Panama where the minimum prevailing wage has been estimated at as little as $0.42 per hour—roughly one-fourth of the national minimum wage of $1.60 to be established by this act.

The economics of the proposed extension of minimum wage coverage to the Canal Zone are questionable, if only because it will set up a built-in wage differential among citizens of the Republic of Panama—a differential, Mr. President, which may serve to exacerbate the tensions between the zone and the Republic. I doubt that it is sound minimum wage policy to create a system of wage discrimination.

Mr. President, I ask unanimous consent to have included in my remarks a table showing the composition of the work force.

Second, the primary national interest of the United States in this area is the maintenance and operation of the Panama Canal. This is paramount above all other considerations. The Department of the Army states that under ideal conditions it will be able to proceed with the minimum wage increase and not increase canal tolls, provided there are no serious additional increases in operating expenses. It might be, however, that the burden of this increase in wages will require a reduction in services and a cutback in the critically important capital improvement program, which includes the widening and deepening of the canal waterway. At this point whether for operation or investment it is not clear how all of these costs will be met. The Congress may well be called upon to appropriate funds to secure the continued and efficient operation of the canal.

I propose in this amendment that the operation of the minimum wage law is provided for in the pending bill be subjected to a thorough study by the Department of Labor, in consultation with the Departments of State and Defense, and that the Secretary of Labor report to Congress not later than July 1, 1968, to advise on the effects of this legislation on wage rates, on the operation of the canal, and on U.S. relations with the Republic of Panama; and to propose any revisions in the law to Congress which may, in his opinion, be necessary to achieve sound and economic operation of the canal.

I ask unanimous consent that a letter addressed to me from the Department of the Army, dated August 24, 1966, together with a table showing the employees affected, be printed in the RECORD at this point.

There being no objection, the letter and the table were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
Washington, D.C., August 24, 1966.

Hon. THOMAS H. KUCHEL,
U.S. Senate

DEAR MR. KUCHEL: This is in reference to your request for an analysis of the fiscal effect on the Panama Canal Company and Canal Zone Government of section 306 of H.R. 13712, as amended by the Senate Committee on Labor and Public Welfare, with particular reference to possible effect of the section on Panama Canal tolls.

H.R. 13712 amends the Fair Labor Standards Act to extend its protection to additional employees and to increase the minimum wage of covered employees. The minimum wage provisions of the FLSA are now expressly applicable in the Canal Zone. At the present time, however, the Act is applicable only to the some 2,400 private employees in the Zone. In the Canal Zone, as elsewhere, the Act presently has no application to Government employees, of whom there are some 18,000 in the Canal Zone.

As the bill passed the House its effect in the Canal Zone would have been to increase the minimum hourly wage of some 2,400 employees of private firms from $1.25 to $1.40 in 1967 and from $1.40 to $1.60 in 1968. Inasmuch as many of the privately employed persons in the Canal Zone are employed by contractors on contracts with the Panama Canal Company and Canal Zone Government these increased wage costs can be expected to increase contract costs of the Panama Canal and Canal Zone Government by about $420,000 in 1967 and $560,000 in 1968.

Section 306 of H.R. 13712, as the bill passed the House, would have made the minimum wage provisions of the FLSA applicable to certain employees of the Federal Government and of non-appropriated fund activities in the 50 States and the District of Columbia only.

As amended by the Senate Committee the coverage of section 306 was extended to include certain outlying possessions, including the Canal Zone, so that for the first time certain employees of Government agencies and of non-appropriated fund activities in the Canal Zone would be subject to the minimum wage provisions of the Act.

In the Canal Zone a wage system for Government employees has been established to meet the obligations of the United States under Item 1 of the Memorandum of Understandings Reached which accompanied the 1955 treaty between the United States and the Republic of Panama. One of the principal features of that system is the relation of basic rates of pay for certain grade levels to locality rates rather than to rates of pay in the United States.

These local Canal Zone rates are in general substantially in excess of rates for similar employment in the Republic of Panama. The minimum wage for employees of Federal Agencies in the Canal Zone is 85¢ an hour compared to minimum rates of 42¢ and 62¢ in the rural areas and principal cities, respectively, in the Republic of Panama.

Under the Senate Committee amendment of section 306, the minimum wage coverage of the FLSA would be extended to some 7,300 employees of the Panama Canal Company and Canal Zone Government now receiving less than the $1.60 an hour, substantially all of whom are Panamanian citizens. Of this group, 5,460 employees receive less than $1.40 an hour, and 882 receive less than the $1 an hour. The Committee amendment would treat these employees as newly covered under the minimum wage provisions so as to increase the minimum wage payable to $1.00 an hour in 1967 and thereafter in annual increments of 15¢ an hour until the rate of $1.60 is reached in February 1971.

Depending on the pattern of increases throughout the whole wage schedule which would prove necessary on full study, the gross cost of the increases would average from $1.9 to $2.6 million a year from February 1, 1967 through February 1, 1971. The annual gross cost as of the latter date is estimated at from $9.4 to $13 million. Of this amount some 40 to 50 percent could be recovered through increases in charges to American citizen employees and others for goods and services, as well as in charges for ancillary services (such as tugboat and line-handling charges) to shippers using the Canal; so that the net increased annual cost to the Company as of February 1, 1971 is estimated at a total of about $5 to $6 million in yearly increments of about $1.2 to $1.5 million.

Estimates of the financial results of operation of the Panama Canal Company and Canal Zone Government over the next several years indicate that the net cash inflow from operations will approximately equal operating expenses, including the proposed increase in minimum wage levels, and requirements for funding essential capital plant replacements and improvements.

These estimates are based on assumptions that:

(1) The existing trend of increased traffic moving through the Canal will continue through FY 1971;

(2) No other exceptional increases in expenses or reduction in revenues will occur; and

(3) It will prove possible to secure needed additional electric power generating capacity from the Republic of Panama or other outside sources.

If either or both of assumptions (1) and (2) proved to be invalid, and operating expenses of the Company, including the increased payroll expense resulting from the amendment of section 306, exceeded income from tolls and other sources, then under the tolls formula now provided by the law the Company would necessarily be required to increase tolls. The amount of the increase would be determined by the amount of the difference between operating expenses and revenue. At current levels of traffic an increase of 1¢ a vessel ton (Panama Canal measurement) would produce about $830,000 in additional revenue.

Should assumption (3) prove to be invalid and additional capital expenditures be required for electric power generating facilities (or other capital items not included in current minimum projections), the Panama Canal Company would necessarily have to request appropriations for the cost of such items or reduce the scope of the capital program below current minimum projections. The amount of such appropriations would be added to the net direct investment of the United States in the Panama Canal on which the Company pays annual interest charges to the United States Treasury at rates determined annually by the Secretary of the Treasury, currently 3.655%. Such interest payments would, of course, *pro tanto* increase operating costs that must be recovered from tolls and other revenue.

All the projections discussed above are based on treatment of Government employees in the Canal Zone as "newly covered" employees under section 6(b) of the Fair Labor Standards Act, as now provided by section 306 of H.R. 13712 as reported by the Senate Committee. If such employees were treated as presently covered so as to be entitled to minimum wage rates of $1.60 within one year from the effective date of the Act, a tolls increase and appropriations for capital expenditures would almost certainly be required at that time.

The Bureau of the Budget has advised that there is no objection to the submission of this letter to you.

Sincerely,

DAVID E. MCGIFFERT,
Under Secretary of the Army.

Canal Zone employees affected by U.S. minimum wage compared with total gainfully employed in the Republic of Panama

Category of employees	Approximate number	Current minimum wage	Place of residence
Private firms in Canal Zone	2,200	$1.25	Republic of Panama.
Panama Canal Company/Canal Zone Government and military agencies.	2,000	.85	Canal Zone.
Panama Canal Company/Canal Zone Government and military agencies.	10,300	.85	Republic of Panama.
Nonappropriated fund employees of military agencies	1,000	.85	Do.
Total gainfully employed, Republic of Panama (1961 estimate).	300,000	$0.42-.62	Do.

Mr. KUCHEL. I am glad to say that I have discussed my amendment with my able friend from Texas, the manager of the bill, who concurs that a study such as provided for in this amendment would be in the public interest.

Mr. YARBOROUGH. Mr. President, we accept the amendment offered by the distinguished senior Senator from California. An amendment was adopted in the committee that made the minimum wage provisions applicable to Federal employees in the Panama Canal Zone. Later, in the course of the committee's discussions, that amendment was modified to provide that the newly covered workers rates should apply instead of the present higher rates. So the workers in the Canal Zone, under the amended bill reported by the committee, would be covered by the newly covered workers provisions, providing a minimum wage of $1 next February, not less than $1.15 a year later, and so on.

Should that wage scale prove disadvantageous, this study would be completed in sufficient time to give Congress an opportunity to reconsider what is basically a 4-year wage scale.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the amendment was agreed to; and I am sure that my able friend, the Senator from Texas, will move to lay that motion on the table.

Mr. YARBOROUGH. I move to lay that motion on the table.

Mr. ROBERTSON. Mr. President, will the Senator from Arizona yield to me?

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Now what is the pending business?

The PRESIDING OFFICER. The Senate will now return to the consideration of the amendment of the Senator from Arizona [Mr. FANNIN].

Mr. ROBERTSON. Mr. President, will the Senator from Arizona yield to me, so that I may call up a relatively minor amendment, which I trust the manager of the bill may be willing to accept?

Mr. FANNIN. I yield.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the amendment of the Senator from Arizona be temporarily laid aside, and that the Senate proceed to the consideration of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, all of us are interested in recreation. We spend millions of dollars for recreational purposes each year. The pending bill very properly gives some exemption from the wage and hour provisions to recreational hotels.

In Bath County, in my State of Virginia, we have one of the finest recreational hotels in the South, and it is the only enterprise they have in the county. It has not one golf course, but three, the Cascade course being one of the finest in the Nation. It has the finest riding horses and bridle paths anywhere in the South. It has tennis courts. It has 10 miles of privately stocked fishing waters. In the winter, it has skiing. It is a year-around resort facility. I do not know of any resort anywhere that has as many recreational facilities as the Homestead at Hot Springs. It also has a skeet range. One can find there almost any type of recreation.

They have to operate all the year around, because if they do not keep their trained workers employed, they could not open up again when the busy season comes.

So the amendment that I wish to offer, I think in this connection, is in full keeping with the bill and with the policy of the National Government. This amendment, I might say, has the approval of the distinguished Senator from Arizona [Mr. FANNIN], the distinguished Senator from Georgia [Mr. TALMADGE], the distinguished Senator from Mississippi [Mr. STENNIS], and it has the approval of my junior colleague [Mr. BYRD].

Mr. JORDAN of North Carolina. It also has the approval of the junior Senator from North Carolina.

Mr. ROBERTSON. And of other Senators. In order to be fair, not to tourist hotels, not to hotels in any of the cities, not to hotels in industrial areas, but to a resort hotel which can qualify as a recreational institution, we propose this change, just to be fair about it and to carry out what I think is the national policy:

On page 41, line 3, delete "average receipts for any 6 months" and insert in lieu thereof "actual receipts for any 5 months."

That gives them a little more favorable break, because if you average the top to count this 33 percent which they must count, every time you will throw improper receipts into the off period. So let us be fair about it, and just charge them with what they are actually getting. This amendment was framed with reference to the recreational concessions in the national parks.

I do not think any of them operate for 7 months. Most of them only operate for 4 or 5 months. Six months is a fair period for any recreational opportunities. So we provide "actual receipts for any 5 months." We then provide for "the actual receipts for the other 7 months."

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. DOUGLAS. Mr. President, was it about the Homestead Hotel that Sarah Cleghorn wrote:

The golf links lie so near the mill
That almost every day
The laboring children can look out
And see the men at play.

Mr. ROBERTSON. I do not know about that. However, they do have three golf links, and the Cascade Golf Links is where Sammy Snead was taught. We are rather proud of Sammy Snead.

In addition to golf links, we have practically everything there in the way of recreation.

The amendment would take care of the few facilities of this kind in the country that are truly recreational.

They are not convention or city hotels. They are located in rural areas.

This resort is the only business in the little mountain county of Bath. The same thing is true in my own county of Rockbridge. We have one hotel located there.

This amendment would take care of the recreational hotels.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. FANNIN. Mr. President, I support the amendment of the senior Senator from Virginia. The recreational hotels about which he is speaking are in competition with hotels in Bermuda and offshore islands. These offshore island hotels are not in a position in which they must pay high wages. They pay substantially lower rates of pay.

It would be very unfair to the resort hotels in this country if, under the pending bill, they were required to pay rates that are being paid by city hotels. The hotels do not all operate under the same competitive conditions.

The amendment of the senior Senator from Virginia is a very worthwhile and commendable amendment.

Mr. ROBERTSON. Mr. President, I thank the Senator.

We are only asking that the manager of the bill take the amendment to conference. The amendment is in line with the House provisions. In fact, this amendment is a little less liberal than the House provision.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. JORDAN of North Carolina. Mr. President, I support the amendment of the Senator from Virginia. I know what the Senator is talking about.

North Carolina has some famous resorts at Pinehurst and Grove Park at Asheville. We have many other resorts.

It has gotten to the place at which the rates are too high and it is cheaper to fly to Bermuda and other resorts. The resorts located in our country would have to raise the price and as a result would not have the guests.

Mr. ROBERTSON. It would be legislating unemployment.

Mr. JORDAN of North Carolina. I support the amendment of the Senator from Virginia and hope that the distinguished Senator from Texas will accept the amendment.

Mr. ROBERTSON. Mr. President, I send to the desk my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 41, line 3, delete "average receipts for any six months" and insert in lieu thereof "actual receipts for any five months." On page 41, line 5, delete "average receipts for the other six months" and insert in lieu thereof "actual receipts for the other seven months."

Mr. YARBOROUGH. Mr. President, the Senate committee did not change this provision in the bill, although there has been reference to indicate that the Senate committee changed the provision. This is a provision of the bill that came over from the House. The section to which the distinguished Senator refers does not include hotels. This section refers to amusement parks like Glen Echo. It refers to an amusement park which is open in the summer or in the winter. The section has no application to hotels.

I want the language clarified. I am not saying that I will agree to take the amendment to conference, but if we should take the amend to conference, I would not want the RECORD to show that an amendment to that section of the bill applied to hotels.

The section to which the Senator refers applies only to amusement and recreational establishments. The legislative history shows that the language means amusement parks.

In reference to the competitive situation mentioned by the Senator from Arizona, people do fly to these resorts. The representatives of the hotel industry, the majority of those testifying, want this provision applied to all hotels. They say that, with planes and with good highways, there are no remote hotels. National conventions are held in the so-called resort hotels.

I am not taking a position on this, but I am stating what the competitive position is.

The resort hotels already have many attractions to offer. They are located at the seashore and in the mountains.

The majority of the representatives of the hotel industry said:

> Let the resort hotels pay the standard wages. If they are permitted to pay substandard wages, and we must pay higher wages, we will be destroyed. We will have to turn our hotels into homes for the aged.

I am referring to the debate that was had in the other body. Testimony was given before the House committee. We also heard testimony on this subject.

The majority of the representatives of the industry wanted to have the same minimum wage law applied to all hotels wherever they were located. They said that, with modern airplanes and helicopters, people can get to any hotel. The so-called remote hotels are competing not only for resort trade, but also for major conventions.

I point out that the hotels are brought under the minimum wage law for the first time in this bill. They are exempt from overtime provisions.

In a resort hotel at Shenandoah, Hot Springs, the Louisiana coast, or some other seacoast area, if the employees work 12 hours a day and they have two shifts for a certain job, there is still no provision for overtime over 8 hours a day. The hotel is required to pay only so much an hour.

The hotels have received favorable consideration in the pending bill in that no overtime provisions are applicable. The hotels can pay the minimum wage without overtime.

I suggest to the distinguished Senator that, since the section would not apply to hotels, but only to amusement parks, he withhold his amendment.

Mr. ROBERTSON. Mr. President, if the manager of the bill is not willing to accept the amendment at this time, I will withhold it.

I asked permission to offer the amendment at this time on the assumption that it would be accepted. The amendment was offered to that section of the bill because the manager of the bill on the House side said that section 201 would include recreational hotels. We thought he knew what was in the bill that he was handling.

Mr. YARBOROUGH. Mr. President, I feel, since this has been gone into so thoroughly and since the section to which the distinguished Senator offers his amendment does not apply to hotels, that the amendment is not applicable.

If that section applied to hotels, and we accepted it on that theory, then we would have thrown two provisions of the law into conflict and brought almost inextricable confusion into the law.

Under those circumstances, I am regretful to say to my friend, the Senator from Virginia—who is my personal friend and a great Senator—that I cannot accept the amendment. I consider the Senator from Virginia one of the two greatest orators in the Senate, but I regret to say that I cannot accept this amendment. I would like to accept it, but cannot do so under the circumstances.

Mr. ROBERTSON. Mr. President, I appreciate the tribute that has been paid to me.

I admit that I am no expert on this type of legislation. It has always been a very technical matter. I have never been satisfied with the way in which it was handled. I am not prepared to say that the amendment is offered to the wrong section.

The reason the amendment was offered to section 201 is that the manager on the House side said that the section included the recreational hotels. I will check again on that language.

If I can convince the manager of the bill that the amendment is offered to the right section, will he accept the amendment if it is the intention of the House that that language should apply?

The questions were raised by Representative UDALL to protect recreational hotels in Arizona.

Mr. YARBOROUGH. Mr. President, I say frankly that a bigger question with us than the number of months or the amounts contained in the amendment is that section 3 of the bill from line 24 on page 40 to line 6 on page 41 has been uniformly interpreted as not applying to hotels, but only to amusement parks and recreational areas. It has been interpreted as not being applicable to hotels of any type.

More serious than the text of the amendment that the Senator offers, and how the receipts would be averaged with respect to an amusement park, is the statement that we would bring hotels under that section. They are not under that section, as our committee has interpreted the law and as the counsel for the committee has interpreted the law. For the first time, we would draw a dividing line between hotels, and exempt one hotel and not exempt another hotel a few miles away. If a hotel were moved out of the city and away from city taxes, it would be exempt from the law.

Mr. ROBERTSON. It gives a recreational hotel in Bath County, Va., which operates 12 months in a year, equal treatment with a concession in Arizona or some national park, which operates only 6 months in the year. If the average is taken for the peak and put in the off-season area, they could not qualify under the one-third provision. But these concessions do not operate more than 4, 5, or 6 months in a year. A hotel that wants to operate 12 months of the year would be put out of business.

Mr. YARBOROUGH. The hotels are exempt from overtime by this provision. If a hotel works long hours and works its employees 16 hours a day, with no overtime——

Mr. ROBERTSON. This is beyond the overtime. This would add greatly to what they must pay.

The manager of the Homestead showed me a fine group of colored waiters in the dining room. He said:

> I recruited them. I trained them. I doubt if one has a high school education. Those boys are now making $150 a week as waiters in this dining room.

Mr. YARBOROUGH. At the minimum wage, they would be required to pay only $40 a week, for 8 hours a day.

Mr. ROBERTSON. If the minimum wage made them raise their general rates to the point where they lost a lot of customers to Bermuda and Jamaica, those boys would not be in the dining room. You would legislate them out of business.

Mr. YARBOROUGH. If they worked 80 hours a week, the minimum wage would be $80.

Mr. ROBERTSON. Those waiters sing spirituals on Sunday mornings and wait on tables. They do not come in to look at empty chairs. You will legislate them out of a job.

Mr. YARBOROUGH. If they kept that dining room open 16 hours a day, 7 days a week, that would be 112 hours. If they average $150 a week now, this law would not affect them. They could work 16 hours a day, 7 days a week, and with the law at a dollar an hour, if they are making $150 a week, I do not see why they are worrying about this law.

Mr. ROBERTSON. I remember a time during the depression when they had more employees at the hotel than they had guests. The question is not what the waiters are to be paid or what they receive. The question is whether the hotel can stay open and maintain a full corps of waiters to wait on the guests. These hotels have to compete with the hotels at the offshore islands. The jets fly people there quickly.

Mr. YARBOROUGH. I am not stating the case for either group of hotels but we have considered this in the committee.

The hotels in the cities say that the resort hotels take business away from them. One can shoot a rifle down the main street on a Sunday and not hit

an automobile. The owners of hotels in the cities claim that the people go to the resort hotels because of the rapid transportation made available by jet planes and the highways.

The distinguished Senator has been building a wonderful highway system, and the people go to the mountains and the beaches, where the hotels do not have to pay city taxes. If we drew two kinds of wage structures and required a hotel in the city to pay one wage structure and a hotel at the mountains or the beach to pay a lower wage structure, the latter hotel would have a greater competitive advantage and could out-bid the city hotel on conventions.

Mr. ROBERTSON. I thank the Senator.

(At this point Mr. RUSSELL of South Carolina assumed the chair.)

Mr. COTTON. Will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. COTTON. In my State, we have resort hotels, as well as other types of hotels, of course. I find myself considerably in sympathy with the sentiments expressed by the distinguished Senator from Texas about drawing distinctions between hotels—seasonal and regular.

But in studying the report and the way that the hotel problem was handled, the Senator from New Hampshire finds himself in a quandary. The interest that the Senator from New Hampshire has in this is not to draw any distinction between the types of hotels, but to determine whether a distinction can be made and provided for as among seasonal employees.

The Senator from New Hampshire foresees that if those employees must be compensated under the minimum wage law, if they must receive the compensation that is paid to professional, experienced waiters, it simply means that those students will be deprived of employment, because the hotel could not afford to give them that employment.

Mr. YARBOROUGH. I point out to the distinguished Senator that in many of those cases the students in these resort areas obtain food and lodging. In computing the minimum wage of $1 an hour, that food is considered a part of the wages, if their meals are furnished. If they are furnished a room—whether it be at a motel or a hotel or some other type of resort area, where they furnish lodgings for these students, as they often do, in the case of summer employment in these areas—that is counted as part of the wages.

So that the requirement that they be paid $1 an hour means that the value of the food and lodging is computed, and the value of whatever else is furnished. Then the employer would be required to pay enough to bring the wage up to $1 an hour. But he would not be required, under this bill, to pay a dollar an hour in addition to room and board. In most of these areas, room and board are important.

Mr. COTTON. I thank the Senator from Texas. I should like to trespass on his patience and go a little further afield, because I am trying to resolve my own doubts about some aspects of the bill.

President Franklin D. Roosevelt, when he submitted the first Federal minimum wage law, stated that, in his opinion, it should apply to those who worked in factories. I find that in representing a State composed of comparatively small communities—that is, having no huge metropolitan areas—there is a danger of depriving worthy persons of employment if the act is extended to smaller service and mercantile establishments.

For instance, I have in mind a small department store in the county-seat town where I live. A number of elderly widows who are not too well provided for, and who need to supplement their earnings, work for a certain number of hours a day in the ladies' department of the store. If the minimum wage were applied to that situation, the store, of course, would have to dispense with their services and hire one or two professional or experienced clerks to work regular hours and receive the regular wage.

In the same way, I have observed elderly men working on shrubbery around the local hotel or perhaps around roominghouses. They do light work for a few hours a day to supplement their income. I can see how many of those persons would be deprived, as I fear students might be deprived, of opportunities for employment.

I really had reached the point where I was prepared to vote for the bill if I were satisfied its coverage was not so far extended as to actually deprive worthy people of light and part-time employment, and thereby working a hardship on many such people. I would like to have the reaction of the Senator to my concern on that point.

Mr. YARBOROUGH. I want to say to the distinguished Senator from New Hampshire [Mr. COTTON] that I feel that his fears of unemployment of students were well expressed by him, but I do not feel that there is a danger that students will lose employment for the summer. Their productivity is high and their energy is great. I am sure that the Senator has had the experience which I have had with the summer interns.

The average student, who is 20 to 21 years of age, is so much better educated than the student of 20 to 21 years of age in my generation that it is a different kind of person with whom to deal. I do not believe there is danger of unemployment of students in the minimum wage bill. They are going to be earning more than is provided in the minimum wage.

Now, with respect to the elderly, I do have concern because as their productivity goes down—many work for submarginal wages—there is some danger there.

If a big establishment is involved, they do not use elderly people. They are in such a competitive position they want people who can work harder and longer. But in the small establishment which the Senator mentions there is an exemption in the law.

In the first year after the effective date of the law, if the gross income is less than $500,000 a year they are exempt from the provision. Thereafter, if the gross income is less than $250,000 a year they are exempt. Not counting Sundays, with that gross income, the exemption amounts to about $800 a day in gross income. It takes a good sized establishment, whether it be a retail establishment or an operation of any kind, to take in over $800 a day.

The probabilities are that if the establishment is that big, they hire people with great productivity.

Mr. COTTON. I am not sure, with present prices going up, that an establishment has to rival Sears, Roebuck in size to be taking in $800 a day. In many middle-sized communities that situation would prevail.

Mr. DOUGLAS. Under Democratic prosperity.

Mr. COTTON. I shall not go into that. I am interested now in the humanitarian side of the picture.

Mr. YARBOROUGH. I commend the Senator for walking across the aisle. We are together on this.

In the Committee on Aging we are studying this problem. I share the Senator's concern. If we are going to eliminate jobs for aging, this problem will receive further consideration.

With respect to the concern of the Senator about resort places, I had the privilege of serving for 7 years with the Senator on the Committee on Commerce. A part of our work was to build up tourism in America and stop the outflow of gold. I share the Senator's concern. We do not want to price tourist attractions out of the market domestically or in the foreign field.

I think that this exemption for recreational parks would come under that provision, with special consideration for the ski lifts, but all hotels were left on the same basis. No overtime applies to the hotel.

Mr. COTTON. I will not say that I am entirely satisfied, but I shall not take the time of the Senator at this point.

Mr. DOUGLAS. Mr. President, would the Senator object if I paid him a compliment? I have listened to this discussion for the last 40 minutes and I think that his manner and conduct well exemplifies the Latin phrase "suaviter in modo, fortiter in re." "Suave and considerate in personal dealings; brave in the affairs of life."

When I heard the Senator from Texas deal with our dear friend from Virginia I realized once again that he possessed "suaviter in modo" to an extraordinary degree. We have always known the bravery and strength of the Senator from Texas and he is once again demonstrating that.

Mr. YARBOROUGH. Mr. President, I appreciate the tribute from the distinguished Senator from Illinois [Mr. DOUGLAS], which is not deserved. I feel that because we have only gone a little into this bill I do not know what he has in store later.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that my amendment previously sent to the desk, germane to section 201 of the bill, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the amendment is as follows:

On page 41, line 3, delete "average receipts for any six months" and insert in lieu thereof "actual receipts for any five months".

On page 41, line 5, delete "average receipts for the other six months" and insert in lieu thereof "actual receipts for the other seven months".

Mr. ROBERTSON subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD immediately after the amendment which I previously offered today to H.R. 13712, the following substitute to make it abundantly clear that the exemption of recreational activities would include those of a hotel operated primarily for recreational purposes.

There being no objection, the amendment (No. 773) was ordered to be printed in the RECORD, as follows:

On page 40, line 25, after the comma insert the following: "including any hotel patronized by a majority of its guests primarily for recreational purposes,".

On page 41, line 3, strike out "average" and substitute "actual".

On page 41, line 3, strike out "six" and substitute "five".

On page 41, line 5, strike out "average" and substitute "actual".

On page 41, line 5, strike out "six" and substitute "seven".

ORDER OF BUSINESS

Mr. SPARKMAN. Mr. President, I wish to call up the conference report on the mass transit bill, S. 3700.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that my amendment to section 201 be temporarily laid aside with the understanding that I may call it up later, if I am so advised, and that when we dispose of the conference report the business before us will be the original business on which we started this debate; namely, the amendment of the Senator from Arizona [Mr. FANNIN].

The PRESIDING OFFICER. Is there objection? The Chair hears no objection and it is so ordered.

URBAN MASS TRANSPORTATION ACT OF 1964 AMENDMENTS—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3700) to amend the Urban Mass Transportation Act of 1964. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

CONFERENCE REPORT (H. REPT. No. 1869)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3700) to amend the Urban Mass Transportation Act of 1964, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"AUTHORIZATION

"SECTION 1. (a) The first sentence of section 4(b) of the Urban Mass Transportation Act of 1964 is amended by striking out '$150,000,000 for fiscal year 1967' and inserting in lieu thereof '$150,000,000 for each of the fiscal years 1967, 1968, and 1969'.

"(b) Section 6(b) of such Act (redesignated section 6(c) by section 3 of this Act) is amended by striking out 'and to $30,000,000 on July 1, 1966' and inserting in lieu thereof to '$30,000,000 on July 1, 1966, to $40,000,000 on July 1, 1967, and to $50,000,000 on July 1, 1968'.

"ASSISTANCE FOR CERTAIN TECHNICAL STUDIES AND TRAINING PROGRAMS

"SEC. 2. (a) The Urban Mass Transportation Act of 1964 is amended—

"(1) by redesignating sections 9 through 12 as sections 12 through 15, respectively; and

"(2) by inserting after section 8 the following new sections:

"'GRANTS FOR TECHNICAL STUDIES

"'SEC. 9. The Secretary is authorized to make grants to States and local public bodies and agencies thereof for the planning, engineering, and designing of urban mass transportation projects, and for other technical studies, to be included, or proposed to be included, in a program (completed or under active preparation) for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area. Activities assisted under this section may include (1) studies relating to management, operations, capital requirements, and economic feasibility; (2) preparation of engineering and architectural surveys, plans, and specifications, and (3) other similar or related activities preliminary to and in preparation for the construction, acquisition, or improved operation of mass transportation systems, facilities, and equipment. A grant under this section shall be made in accordance with criteria established by the Secretary and shall not exceed two-thirds of the cost of carrying out the activities for which the grant is made.

"'GRANTS FOR MANAGERIAL TRAINING PROGRAMS

"'SEC. 10. (a) The Secretary is authorized to make grants to States, local bodies, and agencies thereof to provide fellowships for training of personnel employed in managerial, technical, and professional positions in the urban mass transportation field. Fellowships shall be for not more than one year of advanced training in public or private nonprofit institutions of higher education offering programs of graduate study in business or public administration, or in other fields having application to the urban mass transportation industry. The State, local body, or agency receiving a grant under this section shall select persons for such fellowships on the basis of demonstrated ability and for the contribution which they can reasonably be expected to make to an efficient mass transportation operation. Not more than one hundred fellowships shall be awarded in any year. The grant assistance under this section toward each such fellowship shall not exceed $12,000, nor 75 percent of the sum of (1) tuition and other charges to the fellowship recipient, (2) any additional costs incurred by the educational institution in connection with the fellowship and billed to the grant recipient, and (3) the regular salary of the fellowship recipient for the period of the fellowship (to the extent that salary is actually paid or reimbursed by the grant recipient).

"'(b) Not more than 12½ per centum of the fellowships authorized pursuant to subsection (a) shall be awarded for the training of employees of mass transportation companies in any one State.

"'(c) The Secretary may make available to finance grants under this section not to exceed $1,500,000 per annum of the grant funds appropriated pursuant to section 4(b).

"'GRANTS FOR RESEARCH AND TRAINING IN URBAN TRANSPORTATION PROBLEMS

"'SEC. 11. (a) The Secretary is authorized to make grants to public and private nonprofit institutions of higher learning to assist in establishing or carrying on comprehensive research in the problems of transportation in urban areas. Such grants shall be used to conduct competent and qualified research and investigations into the theoretical or practical problems of urban transportation, or both, and to provide for the training of persons to carry on further research or to obtain employment in private or public organizations which plan, construct, operate, or manage urban transportation systems. Such research and investigations may include, without being limited to, the design and functioning of urban mass transit systems; the design and functioning of urban roads and highways; the interrelationship between various modes of urban and interurban transportation; the role of transportation planning in overall urban planning; public preferences in transportation; the economic allocation of transportation resources; and the legal, financial, engineering, and esthetic aspects of urban transportation. In making such grants the Secretary shall give preference to institutions of higher learning that undertake such research and training by bringing together knowledge and expertise in the various social science and technical disciplines that relate to urban transportation problems.

"'(b) The Secretary may make available to finance grants under this section not to exceed $3,000,000 per annum of the grant funds appropriated pursuant to section 4(b).'

"(b) Such Act is further amended—

"(1) by striking out 'section 10(c)' in section 3(c) and inserting in lieu thereof 'section 13(c)'; and

"(2) by striking out 'under this Act' in section 13(c) (as redesignated by subsection (a)) and inserting in lieu thereof 'under section 3 of this Act'.

"RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROJECT

"SEC. 3. Section 6 of the Urban Mass Transportation Act of 1964 is amended by redesignating subsections (b) and (c) as subsections (c) and (d), and by adding after subsection (a) a new subsection as follows:

"'(b) The Secretary shall, in consultation with the Secretary of Commerce, undertake a project to study and prepare a program of research, development, and demonstration of new systems of urban transportation that will carry people and goods within metropolitan areas speedily, safely, without polluting the air, and in a manner that will contribute to sound city planning. The program shall (1) concern itself with all aspects of new systems of urban transportation for metropolitan areas of various sizes, including technological, financial, economic, governmental, and social aspects; (2) take into account the most advanced available technologies and materials; and (3) provide national leadership to efforts of States, localities, private industry, universities, and foundations. The Secretary shall report his findings and recommendations to the President, for submission to the Congress, as rapidly as possible and in any event not later than eighteen months after the effective date of this subsection.'

"STATE LIMITATION

"SEC. 4. Section 15 of the Urban Mass Transportation Act of 1964 (as redesignated by section 2 of this Act) is amended by striking out the period and inserting in lieu thereof the following: ': *Provided*, That the Secretary may, without regard to such limitation, enter into contracts for grants under section 3 aggregating not to exceed $12,500,000 (subject to the total authorization provided in section 4(b)) with local public bodies and agencies in States where more than two-thirds of the maximum grants permitted in the respective State under this section has been obligated.'"

And the House agree to the same.

JOHN SPARKMAN,
PAUL DOUGLAS,
WILLIAM PROXMIRE,
HARRISON WILLIAMS,
EDMUND S. MUSKIE,
EDWARD V. LONG,
TOM MCINTYRE,
JOHN G. TOWER,
WALLACE BENNETT,
BOURKE HICKENLOOPER,
Managers on the Part of the Senate.

WRIGHT PATMAN,
ABRAHAM J. MULTER,
WILLIAM A. BARRETT,
LEONOR K. SULLIVAN,
HENRY S. REUSS,
THOMAS L. ASHLEY,
WILLIAM B. WIDNALL,
PAUL A. FINO,
FLORENCE P. DWYER,
Managers on the Part of the House.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3700) to amend the Urban Mass Transportation Act of 1964, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

CAPITAL GRANT AUTHORIZATION

The Senate bill amended section 4(b) of the Urban Mass Transportation Act of 1964 to authorize appropriations of $150,000,000 for 2 additional fiscal years (1968 and 1969) to finance urban mass transportation grants under that act. The House amendment authorized only appropriations of $150,000,000 for the fiscal year 1968. The conference substitute contains the Senate provision.

MANAGERIAL TRAINING PROGRAMS GRANTS

The Senate bill added to the Urban Mass Transportation Act of 1964 a new section 10, authorizing the Secretary of Housing and Urban Development to make grants to public bodies to provide up to 100 graduate level fellowships per year in mass transportation studies. Such a fellowship would cover three-fourths of the costs involved (including loss of the recipient's regular salary) or $12,000, whichever is less; and the total amount of the fellowship grants (which would come from the regular mass transportation grant authorization) would be limited to $1,500,000 per year. The House amendment included no comparable provision. The conference substitute contains the Senate provision, with an amendment designed to make it clear that the fellowship payment could take into account certain additional charges made by the institution for the training involved as well as the tuition and other usual charges, and that the Federal grant could take into account up to a full three-fourths of the fellowship recipient's regular salary.

RESEARCH AND TRAINING GRANTS

The Senate bill added to the Urban Mass Transportation Act of 1964 a new section 11, authorizing the Secretary of Housing and Urban Development to make grants to public or private institutions of higher learning to assist research programs and management and research personnel training programs in urban mass transportation, with the amount of such grants (which would come from the regular mass transportation grant authorization) being limited to $3,000,000 per year. The House amendment included no comparable provision. The conference substitute contains the Senate provision.

TECHNOLOGICAL RESEARCH PROJECT

The Senate bill added to the Urban Mass Transportation Act of 1964 a new section 6(b), directing the Secretary of Housing and Urban Development to undertake a "project" to study and prepare a program of research, development, and demonstration of new systems of urban transportation of people and goods, with the funds for such project coming from the existing authorization for research, development, and demonstration projects. The House amendment included a similar provision (for a "study" to prepare a program of research, development, and demonstration of new systems of urban transportation of people and goods), but provided that the funds for such study would be separately appropriated rather than taken from any existing authorization. The conference substitute contains the Senate provision.

STATE GRANT LIMITATION

The Senate bill amended section 12 (redesignated sec. 15) of the Urban Mass Transportation Act of 1964 to direct the Secretary of Housing and Urban Development to reallocate sums not used in any fiscal year within the present 12½-percent limitation, and to authorize the Secretary to make grants (without regard to such limitation) up to a total of $12,500,000 in States where more than two-thirds of the maximum grants permitted under the 12½-percent rule has been obligated. The House amendment included no comparable provision. The conference substitute contains the Senate provision, with an amendment eliminating the unnecessary language providing for an annual reallocation of unused grant funds.

WRIGHT PATMAN,
ABRAHAM J. MULTER,
WILLIAM A. BARRETT,
LEONOR K. SULLIVAN,
HENRY S. REUSS,
THOMAS L. ASHLEY,
WILLIAM B. WIDNALL,
PAUL A. FINO,
FLORENCE P. DWYER,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SPARKMAN. Mr. President, the conference committee met and considered the differences between the House and Senate versions of the 1966 mass transit bill.

The significant difference between the two versions was on the capital grant authority. The Senate bill extended this authority at an annual rate of $150 million a year for 2 years and the House version extended it for only 1 year. The House conferees agreed to the Senate version.

The other differences involved provisions in the Senate bill but not in the House bill on research, technical studies, and fellowships. With minor amendments, all of the Senate provisions were agreed to.

The conference report was signed by all Members from both the House and the Senate.

Mr. President, I move adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

EXPANSION OF THE PURCHASING AUTHORITY OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3688) to stimulate the flow of mortgage credit for Federal Housing Administration and Veterans' Administration assisted residential construction. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

CONFERENCE REPORT (H. REPT. NO. 1868)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3688) to stimulate the flow of mortgage credit for Federal Housing Administration and Veterans' Administration assisted residential construction, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 304(b) of the National Housing Act is amended by striking out 'ten times the sum' and inserting in lieu thereof 'fifteen times the sum'.

"SEC. 2. (a) The second sentence of section 303(d) of the National Housing Act is amended by striking out '$115,000,000' and inserting in lieu thereof '$225,000,000'.

"(b) The second sentence of section 303(e) of such Act is amended by striking out '$115,000,000' and inserting in lieu thereof '$225,000,000'.

"SEC. 3. Section 305(g) of the National Housing Act is amended to read as follows:

"'(g) With a view to further carrying out the purposes set forth in section 301(b), and notwithstanding any other provision of this Act, the Association is authorized to make commitments to purchase and to purchase, service, or sell any mortgages which are insured under title II of this Act or guaranteed under chapter 37 of title 38, United States Code, if the original principal obligation of any such mortgage does not exceed $15,000: *Provided*, That the Association is authorized to increase the foregoing amount for single family dwellings to not more than $17,500 ($22,500 in Alaska, Guam, or Hawaii) in any geographical area where the Secretary finds that cost levels so require. The total amount of such purchases and commitments made after August 1, 1966, shall not exceed $1,000,000,000 outstanding at any one time, and

no such commitment shall be made unless the applicant therefor certifies that construction of the housing to be covered by the mortgage has not commenced. For the purposes of this subsection, $500,000,000 of the authority hereinabove provided shall be transferred from the amount of outstanding authority specified in subsection (c), and the amount of outstanding authority so specified shall be reduced by the amount so transferred.'"

And the House agree to the same.

JOHN SPARKMAN,
PAUL DOUGLAS,
WILLIAM PROXMIRE,
HARRISON A. WILLIAMS,
EDMUND S. MUSKIE,
EDWARD V. LONG,
TOM MCINTYRE,
JOHN G. TOWER,
WALLACE BENNETT,
BOURKE HICKENLOOPER,
Managers on the Part of the Senate.

WRIGHT PATMAN,
ABRAHAM J. MULTER,
WILLIAM A. BARRETT,
LEONOR K. SULLIVAN,
HENRY S. REUSS,
THOMAS L. ASHLEY,
WILLIAM B. WIDNALL,
PAUL A. FINO,
FLORENCE P. DWYER,
Managers on the Part of the House.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3688) to stimulate the flow of mortgage credit for Federal Housing Administration and Veterans' Administration assisted residential construction, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. Except for technical, clarifying, and conforming changes, the following statement explains the difference between the House amendment and the substitute agreed to in conference.

The Senate bill amended section 305(g) of the National Housing Act to authorize FNMA, in the performance of its special assistance functions, to purchase $1,000,000,000 of FHA and VA mortgages with principal obligations not exceeding $15,000; except that such amount could be increased to $17,500 ($22,500 in Alaska, Guam, or Hawaii) in high-cost areas as determined by the Secretary of Housing and Urban Development. For this purpose $500,000,000 would be transferred from the existing FNMA special assistance authority, and $500,000,000 of new authority would be provided. Use of these funds would be limited to the purchase of mortgages on new construction hereafter commenced. The House amendment included no comparable provision. The conference substitute contains the Senate provision.

While loans are purchased by FNMA at discounts under its regular secondary market, the conferees are strongly opposed to such discounts in the use of FNMA special assistance funds. The conferees therefore expect that the $1 billion of special assistance funds provided in the conference substitute be made available at par so that homebuilders will be encouraged to translate these new loan funds into new housing starts immediately.

INCREASED CEILING ON MORTGAGES PURCHASED IN SECONDARY MARKET OPERATIONS

With the very large addition to FNMA's mortgage purchase authority provided by the conference substitute, the conferees insist and expect that the FNMA Board revise the $15,000 mortgage ceiling which was applied earlier this year for FNMA because of its concern over its dwindling mortgage purchase resources. That concern should be completely dispelled by the abundant funds provided in the conference substitute. The $15,000 ceiling is discriminatory against higher cost areas and larger families. The conferees would like to see the $15,000 ceiling completely abolished—within the limits of FHA insurance or VA guarantee—but in any event we expect FNMA, if it insists on some ceiling, to revise the maximum substantially upward on both old and new homes.

DEPARTMENT REPORT ON MORTGAGE DISCOUNTS

The conferees were unanimous in their deep concern over the practice of discounting FHA insurance and VA-guaranteed home loans. In fact, the objectionable point system has now even reached conventional mortgages on which there is no interest rate ceiling except those set by State usury laws. The Congress on two previous occasions has written legislation to eliminate or control these discounts but both such provisions have been repealed. In view of the fact that discounts presently appear to be the worst in our history it is urgent that the Department of Housing and Urban Development make a study of this practice and promptly report to the Congress with recommendations for the control or elimination of discounts. The conferees expect this report to be made to the Committees on Banking and Currency in both the House and the Senate by the beginning of the 90th Congress so that action may be taken.

WRIGHT PATMAN,
ABRAHAM J. MULTER,
WILLIAM A. BARRETT,
LEONOR K. SULLIVAN,
HENRY S. REUSS,
THOMAS L. ASHLEY,
WILLIAM B. WIDNALL,
PAUL A. FINO,
FLORENCE P. DWYER,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SPARKMAN. Mr. President, the conference report is printed in the CONGRESSIONAL RECORD for August 26, page 20884.

Mr. President, the statement of the managers on the part of the House explains very well the results of the conference on the FNMA bill, from the point of view of the House. I should like to add that there were several items in the bill as passed by the Senate on which the House conferees were adamant in their opposition requiring the Senate conferees to recede in order to reach an agreement on the whole bill.

Two of these items involved restrictions which would be placed upon FNMA in purchasing mortgages under the authority of this act, principally with reference to its secondary mortgage operations. One restriction would limit FNMA's purchase under the new authority of this act to mortgages dated after January 1, 1966. The other would limit FNMA's purchase price to an amount not more than the price paid when originally acquired.

The House conferees disagreed with these restrictions on several grounds. In the first place, they claimed it would place an unworkable burden upon the FNMA to apply the restrictions to new money authorized under this bill. It would be practically impossible to differentiate between the funds authorized by this act and funds previously authorized in connection with the secondary mortgage market.

The House conferees also pointed out that such restrictions would be a contradiction of the very purpose of the secondary mortgage facility, that is, to provide a readily available market to FHA and VA lenders at a price "within the range of the market." If such a restriction were permitted to stand it would seriously impair the very purpose for which the FNMA secondary market function was established.

The House conferees also pointed out that the restrictions in the Senate bill would not necessarily serve the purpose intended by the sponsor, that is, to stop the objectionable practice of discounts and to permit lenders to unload old mortgages onto the FNMA at high prices.

The conferees were unanimous in agreeing that the discount practice with FHA and VA mortgages has become a very serious matter and agreed to language in the managers' report indicating their concern and urging that the Department of Housing conduct a study on the subject and report to the Congress by the beginning of the 90th Congress.

Mr. President, let me say, in that connection, that the language stating our disapproval of discounts asked that mortgages under the special assistance fund be bought at par. This will not do away with fees or charges made in connection with mortgage closing, which the mortgagee selling the mortgage has to pay. It totals, I understand, approximately 1 to 1½ percent. But, that is a fee which is customarily paid, and it is understood that it will be continued.

Except for that, it is our purpose that it shall be bought at par. Having had a rather disastrous experience a few years ago in trying to legislate positively on this, I would say that the committee had to do something which it felt would be sufficient—that is, to lay down some guideline language to the Department.

Mr. President, the other item in the Senate-passed bill to which the House conferees disagreed would have placed a limitation on the sale of participations secured by mortgages purchased by FNMA under its special assistance authority in this act.

The House conferees saw no need for such a limitation. Both the House and the Senate have voted several times to support the principal of participation sales under FNMA and the Senate provision would be in contradiction to this principal. The House conferees indicated further that mortgages under this act would be at 5¾ percent and thus represent a more sound security than mortgages under other programs, some of which are at an interest rate as low as 3 percent. The insufficiencies for these types of mortgages would be considerably

less than for practically all other special assistance mortgages and would represent a considerable saving to the Government.

Mr. President, the bill as approved by the conferees represents one of the most substantial efforts in recent times by the Congress to provide relief to the faltering homebuilding and residential sales industries—and to those who want to buy a house and need to buy a house.

The bill contains $1 billion of new purchasing authority under FNMA's special assistance function for FNMA mortgages for new housing at low and moderate cost. It also provides $3.76 billion of new purchasing authority under FNMA's secondary market function for new and existing housing at prevailing market prices.

In today's tight-money market, it may be too much to expect this bill to correct all the imbalances now rampant in our economy which have cut down to a trickle the flow of mortgage credit for residential construction. The capital market problems today are tremendous and much broader than this bill can possibly correct but I am hoping that this new infusion of mortgage credit will stimulate the mortgage market and bring back some stability to it. Other actions will have to be taken to provide a long-term solution to the tight-money situation, but until such time that this can be done, the new funds provided here should stimulate the mortgage market and hopefully restore the homebuilding and related industries to their proper place in our economy.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. I understand that the conferees deleted the amendments which were adopted by the Senate. The first amendment I should like to ask about is one which I sponsored and which was approved by the Senate, dealing with the second title of the bill, wherein it provided authority for FNMA to borrow $1 billion from the Federal Treasury and use the proceeds to buy mortgages on new construction. These mortgages would then, we would assume, be security for the loan which they had just made with the Federal Treasury.

However, I was advised that, under the bill as first reported in the Senate, after having borrowed this $1 billion from the Federal Treasury they could take the mortgages they had procured therewith and pledge them as collateral for the payment of $1 billion participation certificates which could then be sold. This would leave the Treasury with no collateral for its loan.

The amendment I offered, and which was approved by the Senate, merely provided that whatever mortgages they had bought with the money they had borrowed from the Federal Treasury would be kept as collateral for the repayment of the Treasury loan. I understand that the conferees have deleted that amendment. As it stands now, there is nothing to preclude FNMA from pledging that collateral for a second loan obtained from private investors and thus pyramid this into a $2-billion authority.

Conceivably, they could do the same thing again with the mortgages obtained with the proceeds of the second loan.

Where will this stop? There are no controls.

Mr. SPARKMAN. Let me say to the Senator from Delaware that I am going to ask the distinguished Senator from Wisconsin [Mr. PROXMIRE] to answer the Senator's questions. However, I will say to the Senator from Delaware that I held out for the adoption of his amendment but I was outvoted by the Senate conferees when the House absolutely insisted that it would not go along with the provision.

I call attention to this one thing. Before any participations are sold off, they must be approved by the Budget, the Treasury, and the Appropriations Committees of both Houses of Congress. It was the argument of the House and the feeling of the conferees, or at least a majority of the conferees, that the Appropriations Committees gave sufficient screening and we could be sure it would be protected against any misuse.

At this time I should like to yield to the Senator from Wisconsin for a further reply.

Mr. PROXMIRE. Mr. President, I think the Senator from Alabama has answered the question very satisfactorily, in my judgment. When we passed the FNMA participation sales measure, we felt control over portfolio turnover was a responsibility which was properly given to the Appropriations Committees. As the Senator from Alabama has said, these rollovers cannot be accomplished without consent of the Appropriations Committee of the Senate and the Appropriations Committee of the House. I am confident that this is a responsibility which the Appropriations Committees will discharge carefully.

Mr. WILLIAMS of Delaware. I am not debating that point. I am simply stating the facts. The point I am making is that under that section as it now stands there is authority for FNMA to borrow $1 billion from the Federal Treasury and that with the proceeds of that loan it can then buy home mortgages. After obtaining the mortgages, rather than keeping them as collateral for the money borrowed from the Treasury, it can sell $1 billion worth of participation certificates and pledge those same mortgages as collateral for the second $1 billion loan.

It is similar to an individual going to the bank, borrowing $10,000 to buy real estate, and then after buying the real estate, going to a second bank and pledging that same real estate for another $10,000 loan. That is the procedure that the conference report approves to be followed here. That is the point I am making. I think the Senator will agree that those steps can be taken as the conference report now stands.

Mr. PROXMIRE. It is my understanding that no security is put up by FNMA when there is a borrowing from the Treasury. The law gives FNMA direct authority to borrow. No security is necessary. The mortgages are not put up as security for the Treasury borrowing. In addition to the safeguards pointed out by the Senator from Alabama, it is a fact that the Appropriations Committee must consent to each such transaction.

Mr. WILLIAMS of Delaware. That is correct that it does not have to hold the securities as collateral for the Government loan. It can use the mortgages as collateral for another billion raised by selling participation certificates. As I have just said, it is the same as an individual going to a bank to borrow $10,000 to buy real estate and the bank not demand a mortgage but accepting a personal note. The purchaser of the real estate then goes to a second bank and pledges the same real estate for a second loan, and the second bank does not require him to put up the real estate as collateral.

This is an absurd arrangement and is merely a backdoor method of doubling their authorizations without any of it showing up in the budget reports.

Mr. PROXMIRE. I think the Senator has answered his own question. There are many precedents of Treasury borrowing by Government agencies without depositing security. The mortgages could be put up as security for the participation certificates without in any way conflicting with the Treasury borrowings.

Mr. WILLIAMS of Delaware. Two other Senate amendments were deleted. I am referring to title I now. As it now appears in the conference report, the House provided $3.6 billion can be used to buy mortgages from existing portfolios of the various lending institutions. FNMA can use the entire $3.6 billion to purchase portfolios from the lending institutions.

The Senate had approved an amendment which provided that in buying these mortgages FNMA would not pay an amount in excess of the amount which the lending institutions allowed for that mortgage when accepted as a home loan.

I offered this amendment to eliminate the profiteering on the point system. This point system or discounted mortgages is something we are all trying to get away from. The point system is destroying the opportunity of a family to obtain loans for homes on reasonable terms. If a purchaser wants to buy a $10,000 home he is now required to sign an $11,000 mortgage. That individual has to pledge almost $11,000 to buy a $10,000 home and then pay interest plus the amortization of $11,000 over a 30-year period.

This boosts his actual cost of a home loan to far over 6 percent.

To talk about a 5¾-percent home mortgage today is a farce and will remain a farce under the conference report before us here today.

The Senate amendments which gave the homebuyer some protection should have been retained.

As I pointed out in the Senate debate, the point system has a mathematical effect whereby a lending institution can make more money on a poor credit risk

than he can on a good credit risk. Suppose a lending institution accepts a mortgage at 5.75 percent at an 8-point discount—and the discount runs as high as 11 points in some areas, but for the purpose of this case let us assume an 8-point discount—and the mortgage is amortized over a 30-year period by a good credit risk. The lending institution now has a $10,000 mortgage at 5.75 percent over 30 years, plus the 8 points spread over this same period, which gives him about 6-percent yield over 30 years.

On the other hand, suppose the mortgage is defaulted at the end of 10 years, and FNMA takes over the mortgage at par. Those 8 points are now amortized over a 10-year period, which gives a yield of close to 7 percent.

If the mortgage becomes delinquent at the end of 4 years, together with the 8-point discount, the lender gets a yield of 7.75 percent.

Or if the purchaser is a bad credit risk and the lender is lucky enough to have him default in 1 year he receives 5.75 percent for that 1 year plus the 8 points, and he receives a 13-percent yield for that 1 year. In other words, the sooner the purchaser goes broke the more the lender makes.

This is a ridiculous situation to approve a program where a participant can make more money on bad credit risks than on a good credit risk.

There are many situations in which persons who default for 3 months and then obtain the money to make the back payments but are unable to have the lending institution accept their payments. They are told, in effect, "We want you to default. We can get cash for the full amount of the mortgage now if you default."

In order to stop that practice I offered an amendment which provided that FNMA would not be permitted to buy any mortgage in excess of the original amount allowed. Had that amendment been retained in conference it would have meant that a lending institution, in order to cash in and receive eight points, would have had to have a good credit risk and then hold the mortgage the full 30 years. This was an important amendment. Without it the point system which has become a racket, will be continued.

I cited in the debate the experience of a homebuyer in Texas, a sergeant who is now serving in Vietnam. His wife continued to live in the home. She became delinquent in her payments for 5 months. She had sent payments for 2 of these 5 months and has submitted copies of the money orders. But the lending institution would not accept the payments. Later she was able to furnish a certified check to cover all of her delinquencies plus the payment for a month in advance. Still the lending institution would not accept her payment even though the couple had already paid $3,400 on the mortgage. The reason was that the lending institution wanted to cash in on the points and get their profit now.

The only way left for this couple to get their home back is to let it go through foreclosure and then to rent it back from the FHA for $50 a month. The Government said that when the husband returns from Vietnam it would consider selling the house back to them. Remember they have already paid $3,400 on it, and the wife had the cash necessary to pick up the 5-month delinquency plus the payment for a month in advance. Yet the lending institution rejected that offer. That is not good business.

I do not understand why that amendment was rejected. I regret that the other amendment was not accepted, but this one is far more important.

Mr. PROXMIRE. The House was most emphatic on this amendment. Frankly, I believe they made a strong point. They argued that if the amendment of the Senator from Delaware were retained in the bill, it would be impossible for FNMA to buy any mortgages if interest rates should fall from their present historic high level, because as interest rates fall, the value of a mortgage, the price of a mortgage, increases. That would make it impossible for FNMA to support the market at all, unless interest rates continued to escalate above their present level. Certainly that was not the intention of Congress.

In addition to that, I might say there is some evidence in support of what the Senator has said about some unscrupulous mortgagees foreclosing a mortgage the day that it became delinquent without giving the homeowner a chance to bring his payments up to date. The Housing Subcommittee uncovered this practice 3 years ago, and directed the FHA and FNMA to look into it and take steps to correct it. Soon after that the FHA issued regulations to their Directors and to all FHA mortgagees to take immediate steps to stop this practice.

But it is my understanding that what the Senator has proposed would not have prevented what he is aiming at; and that in addition to that, it would simply have prevented FNMA from taking the basic action that Congress wants it to take, and that is to support the mortgage market and the homebuilding industry, so that it will be possible to correct this very serious depression we now have in homebuilding.

Mr. WILLIAMS of Delaware. It is technically correct that the amendment would not entirely have eliminated the point system, but it would have eliminated all possibility of any profit therefrom; and the only purpose of the point system is for profit. It would mean that in order for any institution to get the full benefit of its 8-point system it would have to hold a 30-year mortgage until its maturity.

I should like to read a letter I received just last night. These cases are multiplied all over the country by the thousands. This happens to be a homeowner from Florida.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. I was trying to interpret the Senator's remarks. As I understand them, he is telling us that if a bank or other lender has rather shaky loans, insured loans or mortgages, and if they find a purchaser for them, they make more on their poor loans than they would if they were good, sound loans?

Mr. WILLIAMS of Delaware. We will say the lending institutions are taking 100 mortgages, for example, of $10,000 each, from different people. They are 5¾ percent 30-year mortgages, and they are taking these mortgages at 8 points discount.

If those mortgages are all from good credit risks and those homeowners keep up all their payments, it means that over the 30-year life of the mortgage the lending institution will get 5¾ percent plus this 8 points amortized over 30 years, which brings their interest rates up to just slightly over 6 percent.

Mr. AIKEN. Yes.

Mr. WILLIAMS of Delaware. But, on the other hand, suppose these are poor credit risks and they default at the end of 2 years on their mortgages; then on those mortgages the lender would get its 5¾ percent per year, and would only have to amortize this 8 points over 2 years, which would bring its interest rate up to 9¾ percent. If they were extremely lucky and had a very bad credit risk that did not survive the first year but defaulted, then, at 5¾ percent for the 1 year, the lender would collect all of his 8 points under the point system, and he would actually make 13¾ percent on the mortgage.

In other words, the poorer the credit risk the more money he makes, and the better the risk the less money. Where I came from any man who condoned such a practice would be described as a "shylock," but here the movements condones it.

Mr. AIKEN. Then it would be to the advantage of the bank to unload its risky mortgages on whoever would purchase them, and hold on to what appeared to be soundest loans?

Mr. WILLIAMS of Delaware. I think the Senator is partly mixed up with the next amendment to be discussed.

Mr. AIKEN. I am thoroughly mixed up, not partly.

Mr. WILLIAMS of Delaware. In this particular instance, the lending institution which we will say was fortunate enough to have a lot of bad credit risks in its portfolio, can soon cash them out anyway. As they are in default the lending institution turns them over to the Government and gets full payment.

As I have stated, the lending institutions, instead of trying to collect the money and keep their accounts current, welcome defaults. This letter I just received last night from Florida typifies the case very well. This lady is only 2 months delinquent, and they will not let her make her back payments now unless she pays a month in advance. They want her to default so that they can cash in under the point system. This is the letter:

I have read with great interest about your charges against the Federal Housing Administration. I would like to add my little bit to your cause.

I live in a place called North Orlando, Florida. It is in south Seminole County. There are about 300 homes here, all FHA. Over half of them are empty, and due to the high rates of foreclosures, I cannot even give my house away.

In the last two months, I have had many added extra expenses, and I am now two months behind in my house payments. I tried to send the two payments, and the mortgage company man told me that they would not accept two, but now I would have to send three. I have told him that at present I just couldn't do it. He told me that they didn't care, and if I did or did not make any payments, they couldn't lose any money because the FHA would then pay them off.

I have been in this house for over six years, and I don't want to lose it. We have three children growing up, and one of them is crippled. We have had many extra doctor and hospital bills because of it.

I have a steady record of employment, but something like this could do me great harm I work at the Cape for Pan American Airways, and they hold an Air Force contract. They wouldn't like something like a foreclosure on my record.

I haven't moved yet, and I don't plan on it until I have to. But you would think that they would try to help a person until he could get back on his feet. But, like the man said, they will get their $12,000 whether I help them or not. So I can see why FHA is throwing our money down the drain. If this letter can help either of us, you are welcome to use it.

Where I came from any lender who refused these payments would be ostracized.

In this particular case, the reason for insisting on 3 months is that at the end of 3 months' delinquency they can turn the mortgage over to FHA and collect par for it. We should not have a system where there is an inducement and an actual cash incentive for a lender to force a default. I was in business before I came to the Senate and we had customers many times who, through no fault of their own, became delinquent; but we always welcomed them into the office when they came to make their backpayments or to make a partial payment on their accounts.

But in this instance, some mortgage holders regret that these backpayments are being made because if they do not make these payments their profits increase. The writer of this letter says they have had their home over 6 years assuming that it was financed at a 6-point discount, rather than having to wait 24 more years to collect that 6 points, if this motgage is defaulted the lender collects it all now.

I think that is an unsound principle. I do not know of any better way to attack it than to state that the Federal Government will not be a party to insuring such mortgages but that it will only insure the mortgages and pay them off to the extent to which the lender actually allowed when originally financed.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I shall yield to the Senator from Wisconsin in just a moment.

Mr. AIKEN. I have another question, to help clear this matter up in my mind.

When a risky mortgage is foreclosed and a profit is made, who gets the profit? Is it the holder of the mortgage, or the bank which originally lent the money?

Mr. WILLIAMS of Delaware. Whoever holds the mortgage at the time of foreclosure would get it.

Mr. AIKEN. I thank the Senator. What concerns me is that I have just learned that the State of Vermont is buying insured mortgages. If some of those mortgages have to be foreclosed, who will make the profit? Will the State of Vermont get it, or will the bank that made the loan?

Mr. WILLIAMS of Delaware. No, the State will get the repayment. It is whoever holds the mortgage as of the date of foreclosure.

Mr. AIKEN. I see. What does the Senator think would be a fair price to pay for those mortgages at this time?

Mr. WILLIAMS of Delaware. I understand from the reports that I receive from the field that they are bringing from 8- to 10-percent discount below par. Now, that would vary in areas, depending on the availability of mortgage money. But they are bringing discounts, and I have had reports of as much as 11-point discounts on a 30-year mortgage.

Another point is that this discount of 8 or 10 points about which we are talking is on 5.75-percent mortgages. If the mortgages are old mortgages which carry a 3-percent or a 4-percent interest rate or a lower rate, that may have prevailed at the time of the mortgage, they would be bringing in even less now. They would be bought more or less on the yield.

The lower the rate, the less they would pay for them. By the same token the date of maturity would also have a bearing on the matter.

Mr. AIKEN. Mr. President, I thank the Senator from Delaware for trying to enlighten me on banking matters.

Mr. WILLIAMS of Delaware. As pointed out on the floor, and as was concurred in by the chairman of the Committee on Banking and Currency, this did not specifically prohibit the point system.

The Senate amendment would have made it unprofitable to have this system.

There is only one way in which the administration could eliminate the point system and that would be by putting the interest rates at the prevailing rates. That would make these mortgages negotiable, and any institution would accept them at par. In that way the real interest charges would be on top of the table.

Whether that can be done by regulation or by a change in the interest rates exclusive of legislation I am not sure.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SPARKMAN. Mr. President, the law fixed the ceiling at 6 percent. Anything under the 6-percent rate can be handled by regulation. It is fixed now by regulation at 5.75 percent.

Mr. President, I should like to comment on the letter than the Senator read. I received a very similar letter from a lady in New York 3 or 4 years ago.

I will tell the Senator what I did with that letter, and I think the Senator from Delaware will do the same thing with his letter.

I think the Senator ought to call the matter to the attention of the Commissioner of the Federal Housing Administration.

The letter that I received from New York, to which I have referred, mentioned that they would not accept her payments for less than a stated amount. I talked with the people down at the FHA.

The FHA got in touch with the bank in New York that held the mortgage and talked them out of attorneys fees, seizure fees, and fees of other kinds, and got them to work out a settlement whereby that lady was able to save her home.

Largely as a result of that letter, we wrote into the law a forbearance section.

If this lady to whom you refer will call on the FHA, the FHA will take up the problem. The FHA is authorized by law to work out a forbearance arrangement with the homeowner, either by having the lender continue to hold the mortgage and forbear for a reasonable period of time or by having the FHA itself acquire the mortgage and work out an arrangement to cure the mortgage.

I hope the Senator from Delaware will take the matter up with Mr. Brownstein.

Mr. WILLIAMS of Delaware. Mr. President, as one who has been critical of the program, I want to say that I have found Mr. Brownstein to be most cooperative and helpful in straightening out these matters. I appreciate his cooperation.

Mr. SPARKMAN. Mr. President, when I discussed the matter of the letter from the lady in New York with the housing officials, I found that the existing law was seriously deficient in helping situations of this sort but, largely as a result of that case and other cases of a similar nature, we amended the law and I believe now have an effective provision. I should like to call your attention to section 230 of the National Housing Act as amended by the 1964 Housing Act.

Mr. WILLIAMS of Delaware. I am aware of that. This will be called to the attention of Mr. Brownstein. I just received the letter last night. And I am hopeful that I shall be able to get the matter straightened out.

Referring to the case in Texas about which I spoke before, that case had been taken up with the FHA, and the local FHA officials approved the extension of credit. It was then disapproved at a higher level. I do not understand why, but I will be trying to get it straightened out.

Mr. SPARKMAN. I would take that matter up with Mr. Brownstein, too.

Mr. WILLIAMS of Delaware. The individual cases that are called to our attention we can perhaps get straightened out; however, what about the thousands of people that do not call these matters to their Senator's attention? They lose their homes. This program as it is functioning is wrong.

These conditions should not exist. We should not have a situation in which the lending institution can sit back and say that now Joe Doakes is 3 months delinquent, let us collect from FHA. Sure, they can show the FHA authorities a record of having tried to collect, but how sincere were they in their efforts?

The lending institutions always make sure that they can say that the collector went around at certain hours. However, they do fix the time when the collector

goes. The collector can go when the residents are not at home so that the bill will not be paid. After 3 months they can call on the FHA to get the money.

We should not have a Government program with a cash incentive to the lending institutions to try to get a bad credit risk.

There is no question about the fact that the lending institutions can make more money on a rollover every 4 years than they can holding the mortgage the full 30 years.

Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I think what the Senator from Alabama has said is extremely important in the instant cases concerning which the distinguished Senator from Delaware has spoken. However, in addition to that, the restriction which the Senator sponsored to establish a minimum price on mortgages in the secondary mortgage market would vitiate and destroy the whole purpose of what we are trying to do. It would mean that FNMA would not be able to buy mortgages in order to keep the interest rates below their present level.

As the interest rate goes down and we hope it will go down—it has not been this high for 40 years or more—it would mean that FNMA would have to stop buying and not buy any more mortgages. That means that we would be fixing interest rates at a high level.

I do not see how we can get around that. That was the unanimous conviction of the Republican and Democratic members of the conference.

Furthermore, this provision would be unworkable because the mortgages are usually not held by the original purchasers. They are sold and bought on the market at market prices. When mortgages change hands several times it would be almost impossible to determine the original price. The amendment of the Senator from Delaware provides that FNMA could not pay more than the original price.

The feeling on the part of the conferees is that this amendment would destroy the purpose of our effort here to try to keep interest rates from going too high. We should try to bring them down. This provision would not work.

Mr. WILLIAMS of Delaware. It would work. They would merely certify what they paid. They do that anyway on their tax returns. There is another way to get around this. If they want to hold the lending rates at 5¾ percent they can put all of the money under title II and, if necessary, make direct loans on 5¾ percent mortgages.

This situation of discounted mortgages creates a great hardship on a lot of people who are trying to buy their homes. They are good credit risks. They have been making their payments, and then they get a job transfer from one State to another State.

These people must buy a comparable home in that second State. They must sell their first home. They then find the point system operating both ways. If they buy a home costing $14,000 in the State to which they are moving they must give a $15,000 mortgage and sign up for 30 years in order to finance a $14,000 home. Then when they sell their first home, if they sell it for $15,000, they receive $1,000 less as the result of these discounts. They are caught both ways.

This situation is working an extreme hardship on a lot of people.

There is only one way to correct the situation; and that is, to put the mortgages on par. If mortgages can only be financed at 6 or 6¼ percent, call it that and put it on the 6 or 6¼ percent annual interest rate.

Much has been said by the administration about the need for truth in lending, yet this lending program of the U.S. Government is the most deceitful method of financing I have ever witnessed.

I know the reluctance of the administration to say that they must recognize existing high interest rates.

This problem has nothing to do with high or low interest rates. High interest rates are a fact of life. This will not raise or lower them.

Pumping this $4½ billion into the economy will be a contributing factor toward making them even higher. It will not be the ultimate factor, however.

Mr. PROXMIRE. Four and a half billion dollars is bound to have a big and decisive effect on the market. We hope it will have. Otherwise there is no point in passing the legislation.

We hope it will have the effect of easing the strain on the housing market by raising mortgage values and lowering interest rates. That is the purpose of it.

If we prohibit FNMA from paying any more than the present level, we would vitiate and destroy the whole purpose of the legislation.

I do not see how one can come to any other conclusion, with any logical economic reasoning.

Mr. WILLIAMS of Delaware. I think the Senator will admit that with the elimination of the three Senate amendments and as the bill stands now, FNMA can take this money and buy the existing portfolios of the lending institutions, which may be mortgages bearing rates from 3 to 4 or 4½ percent. They can buy these mortgages from the lending institutions.

Nothing in this legislation provides that once FNMA bails these institutions out and takes their portfolios, the money paid must be reloaned into the housing industry with 5.75 mortgage loans. The institution does not have to reloan that money on home mortgages. It only assumes and hopes that it will, but it is only an assumption. Once the lending institutions have been bailed out with this $3 or $4 billion of available funds, once they get this money in their investment accounts, then as far as the law is concerned they can reinvest the money in any Government-guaranteed obligation, which is bringing 5.90 percent or in triple-A bonds. They can reinvest the money in any of the multitude of investments now available and permissible for lending institutions.

Nothing in this bill provides that the money goes back into the home mortgage industry. We think that some of it will siphon down, but only the hope of a trickle-down theory prevails. Nothing in the bill directs that the money be placed back into home mortgages.

I have one other question. I understand that this bill as it came back from conference provides total funds in the amount of $4,650 million. Is that correct?

Mr. PROXMIRE. It is my understanding that the correct figure is $4.76 billion.

Mr. WILLIAMS of Delaware. When the administration sent this bill down, how much authority did it request?

Mr. PROXMIRE. This is not an administration bill—the administration did not have a specific recommendation.

Mr. WILLIAMS of Delaware. It is my understanding that the administration recommended $3 billion. We are not being told that it is against $3 billion, are we?

Mr. PROXMIRE. No.

Mr. WILLIAMS of Delaware. The bill as it passed the Senate provided about $3¼ billion, did it not?

Mr. PROXMIRE. Mr. Weaver, as I understand, sent a letter, speaking for the administration, in which he recommended against the additional billion dollars for special assistance.

Mr. WILLIAMS of Delaware. That is my understanding.

Mr. PROXMIRE. The Senator is correct.

Mr. WILLIAMS of Delaware. The administration is against it. The bill before us provides about $1 billion more than the administration asked for and more than it thought should be enacted.

Mr. PROXMIRE. I believe that the Senator is correct.

Mr. WILLIAMS of Delaware. Yesterday, the President warned Congress that if Congress did not display a greater degree of fiscal responsibility and did not hold these appropriations down he would ask for price and wage controls and perhaps a tax increase.

Mr. PROXMIRE. May I say to the Senator from Delaware that the Senator from Alabama raised this specific point. He asked a number of members of the conference committee about this, because he was deeply concerned over whether or not this would have an inflationary impact. I believe that the general view expressed was that it would not be inflationary, because this particular provision was designed expressly to assist the very depressed homebuilding and housing markets. It was especially designed to help people who were buying very moderate priced homes—$15,000 or less—and under these circumstances it is a very painful choice that Congress must make.

I suppose one could argue that almost any action we take to relieve the homebuilding market, even a billion dollars, would have some impact on prices.

Under these circumstances, recognizing the plight of the homebuilding market, as I think all of us do, we felt that this was a proper and appropriate, although difficult, decision to make.

Mr. WILLIAMS of Delaware. I recognize the problem confronting the mortgage industry at this time. I supported the bill and voted for it as it passed the

Senate, but as it passed the Senate it was about $1.2 billion less than the bill before us now. Furthermore, as it passed the Senate, the bill had restrictions in it which would prevent it from being used as a bailout of the lending institutions. All these restrictions are out and under the measure now there is absolutely nothing to prevent FNMA from going into these lending institutions and taking all their existing portfolio—3, 4, 5, 5¾ percent mortgages—and bailing them out. After having been bailed out there is absolutely nothing to prevent that same lending institution from then reinvesting the proceeds in FNMA participation certificates—which are bringing 5.90 percent—or in triple-A bonds of our major corporations, some of which yesterday sold at around 6-percent yields.

There is absolutely nothing here that says they have to reinvest one dime in the mortgage industry unless it is some lending institutions that have a provision in their charters that they can only make real estate loans. To the extent that they are bailed out they could not move into this other field, but even they could keep their money or buy Government bonds; they do not have to take the 5.75-percent home mortgages.

I point out that any bill which accelerates any segment of the economy cannot be passed without having some inflationary effects. We all recognize that fact, even if only $50 is passed out.

Mr. PROXMIRE. I agree that any help given to the homebuilding industry will have some significant effect. At the same time, however, we must make a choice. We can make the choice of saying that we will not help this industry, which is so depressed; that we will not help a situation in which hundreds of thousands of Americans are having trouble buying homes; that we will not step in because it might have an effect on prices. Or, we can decide, as the conference committee decided and as the House decided—and as I think a majority of Senators feel—that this is a very depressed industry which deserves and should have this kind of consideration, and that under the circumstances we should act to furnish this help.

Mr. WILLIAMS of Delaware. The Senator is correct, and that choice has to be made. As a Member of the Senate, I made that choice in the affirmative at the time the original bill was passed, but the Senate bill had safeguards. That bill was passed with the full recognition that it would have some inflationary effect on the economy.

However, the trouble now is that the conference report before us provides about $1.2 billion more than passed by the Senate and about $1.2 billion more than the President wants. It can be used in its entirety as a bailout for lending institutions with no provision whatsoever in this measure that one single dime ever would go to provide new mortgage money for a home in America. I am sure that by the law of averages some of the money would go for that purpose, but there is nothing in here that says how much. As the bill passed the Senate all of the money, in its entirety, would have gone to finance the home buyers of America. The Senate amendments removed all chance of the bill being turned into a bailout for lending institutions. That is what the Senate said we did not want to happen. That is why we restricted it.

But those amendments have all been deleted. Now there is no protection for the bona fide homeowner in this bill.

I think that the chairman of the committee will admit that it is theoretically possible that not one dime of the $3.6 billion furnished in title I of this bill would ever go to finance a home mortgage.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SPARKMAN. I am glad the Senator said that it is theoretically possible, because it is only theoretical.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. SPARKMAN. Any person feeling that it is possible for this to be used as a bailout must assume that things would be purposely directed toward accomplishing that purpose.

I say this as one who supported in the conference the Senator's amendment, the particular amendment that I told him I thought had good in it, and that I would support it, and I did support it, but I think we should remember this: Under the restrictions that FNMA now has no mortgage is purchased that is more than 4 months old. That is even less than the time that was provided for in the Senator's amendment, which sought to prevent this bailout.

It is only fair to remember that when the Senator speaks of 4, 4½, and 5 percent mortgages, he is speaking of a time a number of years back. As a matter of fact, there has not been any mortgage insured by FHA or VA within the last 4 months—I think that I am correct on that—that carried less than 5.75 percent interest—except, of course, a few of those multifamily mortgages for low-income families.

So we are dealing primarily with mortgages carrying 5.75 percent interest. That is the official rate today in both the FHA and the VA. When we talk about a theoretical something, we are not being realistic because the agencies are not buying mortgages that carry a rate of interest less than 5.75 percent.

(At this point, Mr. KENNEDY of New York assumed the chair.)

Mr. WILLIAMS of Delaware. The Senator is correct; under a regulation they now go back 4 months, but regulations can be rewritten in 10 minutes.

Against the possibility of that regulation being changed to turn this program into a bailout of the lending institutions, the Senate amended the bill. The Senate amendment was even more liberal. The amendment merely provided that they cannot put in any regulation extending back beyond January 1, 1966. This gave them extra leeway. The administration objected. Why did they object? They objected because they plan to change that regulation. Such change is expected in the lending business. How else do they plan to put this $4 billion in the economy?

Some argue that it would be impossible to change the date if the date is January 1. How silly can one get? All we have to do is say 6 months, or whatever the period may be, instead of the 4 months now in regulations.

I know why they did not want that amendment. A number of lending institutions will be disappointed. They can scarcely wait until they dump their portfolios into the lap of FNMA. Once they have done that the boards of directors will meet. What will they do? Are they going to vote to lend the money at 5¾ percent on 30-year home mortgages, or are they going to take 6 percent triple A bonds that can be placed in the vaults and coupons clipped twice a year? We all know the answer.

They will invest at the most attractive rates possible, and there are far more attractive rates in the money market today than 5¾-percent home mortgages. They are not going to buy home mortgages unless there is a discount. We should confront and settle this problem here.

But now we have a bill which removes all restrictions and provides no protection for the homeowner. It is theoretically possible that all of the money will be used as a $3 to $4 billion bail-out of the portfolios of lending institutions, thus giving them money to profitably reinvest in other areas.

In addition, the conference report before us provides about $1¼ billion more than the President wants. Yesterday the President made an eloquent appeal for Congress not to keep voting for more money than he has asked for. This is our chance to show some fiscal responsibility. In this instance I am carrying the banner for the President as I always do when I find him in the right. But as a stanch supporter of economy, and in this instance of the President, I appeal to the Senate to show him that we too are fiscally responsible and that we will not insist on a bill that will provide him with $1¼ billion more than he said he needs.

The way to do that is to reject the conference report and send it back with instructions to hold it at the level passed by the Senate; namely $3.5 billion.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PROXMIRE. I wish to point out that this $1 billion is for special assistance for low-income people, for houses selling for $15,000 or less. It is perfectly apparent that this President, particularly, as have all Presidents in the past, will only invest what he wants to invest. He will have the authority to invest this money, if he cares to do so, if times are proper. The Senate and the House of Representatives have agreed to provide this special assistance fund to finance the construction of homes for low- and moderate-income families who have the greatest need and who, in today's tight-money market, have the greatest difficulty to get mortgage credit. Without such a program most of these families just could not get mortgage credit at any price.

Under the circumstances, I do not see how the Senator from Delaware [Mr.

WILLIAMS] can say we are letting the President down or that we have not supported his position.

The President can go as far as he wishes. It seems to me, in view of what happened in the mortgage market in the past few months and what happened to soaring interest rates, it is wise for Congress to provide this additional power to the President so that he can step in on behalf of low-income housing and support it more vigorously if mortgages continue to weaken and home interest rates would otherwise move up into the stratosphere.

Mr. WILLIAMS of Delaware. Let us get the RECORD straight. The bill as passed by the Senate provided for $3.5 billion, and it could be used in its entirety to finance homes costing $5,000 to $10,000. There is nothing in it to the effect that they finance only the homes of millionaires. Any part of the original bill can be used in connection with mortgages for the low-cost homeowner.

Mr. PROXMIRE. It can be, but the billion dollars special assistance fund in the bill can only be used for low-priced homes. Not only is it only permissive that the $3.76 billion be used for low-priced homes, on the basis of all experience it is very unlikely that much of it would be. The billion dollars of special assistance is something else. That must be used for low-priced homes. The bill mandates it. There is no choice.

Mr. WILLIAMS of Delaware. That limit could be put on more than that amount if Congress wished. We do not have to give an extra billion dollars to obtain this objective.

I repeat, the bill as it came back from the conference, is $1¼ billion more than the Senate bill and more than the President has asked for. On that point alone, as well as the restrictions, we should reject it. Let us send it back and tell the President that this Congress is fiscally responsible. On the other hand, if the Congress does pass it the President should use his veto pen. He has said that he does not want this extra $1¼ billion. Unless there is just a lot of lipservice being given to the economy the bill will be vetoed.

As far as I am concerned I shall not vote to add $1¼ billion to the measure over and above what the Senate originally passed and above what the President has said he wants. Such recklessness would be highly inflationary.

I think that the conference report should be rejected. Rather than talk about tax increases, price controls, and wage controls we should be talking about the No. 1 problem in America; and that is extravagant Government spending.

There is only one way to curtail Government spending and that is by votes on the floor of the Senate. Today, as we vote here, we are voting for or against a measure which provides $1¼ billion more than anyone in the administration says is necessary and for an extra $1¼ billion which the administration said would be highly inflationary if it is siphoned into the economy.

This conference report should be rejected.

Mr. President, I ask for the yeas and nays on the conference report.

The yeas and nays were not ordered.

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

Mr. SPARKMAN. If the Senator will withhold his request a moment, the Senator from Oregon [Mr. MORSE] was hopeful that he would be here at the time this conference report was taken up. He had a statement prepared which included questions he addressed to me that he wished to have answered on the floor of the Senate. I therefore ask unanimous consent that his statement and an article published in the Washington Post on this subject be printed in the RECORD, along with my answer to his question.

There being no objection, the statements and article were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

I wish to commend the conferees and to support the conference report. But there is a point I think we should clarify in the RECORD. I address these remarks and the question they include to the distinguished chairman of the Housing Subcommittee the Senator from Alabama [Mr. SPARKMAN].

An Associated Press dispatch yesterday morning said that the conference report would, and I quote, "pump an additional $4.76 billion of government mortgage purchase funds into the sagging homebuilding industry."

Certainly that is our intention: to pump urgently needed funds into the mortgage markets to assist the homebuilding industry, the industries that are related to it and depend on it, such as the forest products industries of Oregon, and the home-buying public.

Now the way this is to be done is to increase the amount of money available to the Federal National Mortgage Association, quoting from the Senate Committee report on the bill, S. Rept. 1428: "so that it can buy higher priced mortgages in its secondary market function and at the same time provide a market for lower priced mortgages in its special assistance function.

It would be helpful to have the chairman of the subcommittee and leader of the conferees explain how the bill would get this massive new money authorization into the mortgage market.

As I understand it, FNMA does not make new mortgage loans and will not take mortgages directly from home buyers under this bill. It buys mortgages in the secondary, or resale market. The theory is that with this new $4.76 billion of purchasing authority, FNMA will purchase existing mortgage loans in that amount, thereby releasing to the sellers funds that they can and presumably will reinvest in new mortgages.

My concern and my questions are: what assurances have we under the bill or under reliable present practice and precedent that the money investors receive from FNMA upon sale of old mortgages will be reinvested in new mortgage loans? Apparently one major reason mortgage money is so scarce is that investors have come increasingly to find other types of investment more attractive and profitable. How do we know that the money investors receive upon sale of mortgages to FNMA will be reinvested in new mortgage loans and not diverted to some other types of investment?

STATEMENT BY SENATOR SPARKMAN

The Senator from Oregon has raised a valid question. In fact, the matter was discussed when the bill was debated on the Senate floor a few weeks ago.

The implication of the question is that some lenders may unload mortgages in their portfolio to FNMA under the terms of this act and then turn around and use the money to acquire higher yielding loans outside the mortgage field.

This could happen, but it is extremely unlikely. Let me explain.

Under the $1 billion special assistance authority, FNMA will have no authority to buy existing mortgages. The bill before us limits the funds for the purchase of FHA and VA mortgages secured by new residential units. No old mortgages could be purchased with this money.

Under the other part of the bill—the $3.76 billion authority to purchase mortgages under the Secondary Mortgage Market—it is possible but quite unlikely that these funds would end up in other types of investments. In the first place, under existing regulations FNMA does not buy any mortgages more than 4 months old. I assume that this regulation or some similar regulation will continue in effect during the present emergency. If this is done, the answer to the Senator's question is obvious.

If, for some reason, the FNMA should remove this 4-month restriction it is unlikely that lenders would be willing to sell mortgages out of their portfolio at the price offered by FNMA. These prices are now about 95 for 5¾ percent mortgages and most lenders would not be willing to sell at this price. In fact the price for other mortgages bearing interest rates below the 5¾ percent are even lower. A 5¼ percent FHA mortgage is priced at 91. An investor would have to take a very large loss, for example, if he wanted to sell old mortgages. From an economical standpoint this would not make any sense and therefore I think that even if the FNMA should change its current practice it is unlikely that many investors would find it economically feasible to sell mortgages at such low prices.

[From the Washington Post, Aug. 24, 1966]

$4.7 BILLION HOUSING BILL GOES TO SENATE

Senate-House conferees agreed yesterday on a compromise bill to pump an additional $4.76 billion of Government Mortgage Purchase Funds into the sagging home-building industry.

In coming to a quick agreement on the legislation at their meeting, the conferees wrote in the highest possible figure by accepting all the devices carried in both the House and Senate versions.

Sponsors said the compromise measure probably will be called up in the Senate Wednesday and could be signed into law by the end of this week.

The new funds would be channeled through the Federal National Mortgage Association. They would apply to FHA-insured and VA-guaranteed mortgages.

The extra FNMA purchasing authority would be made available in these ways:

$2 billion by authorizing the Association to issue debentures up to 15 times its capital instead of 10 times as under present law. This was in both versions.

$1.76 billion by authorizing the Treasury to subscribe to an additional $110 million of FNMA preferred stock. This also would be subject to the new 15-to-1 ratio. This provision was in the House measure, not in the Senate.

$1 billion by authorizing FNMA to draw an additional $500 million from the Treasury and $500 million from special funds available to the President. The money would be for the Agency's special assistance function. This provision was in the Senate bill, not the House.

Mr. WILLIAMS of Delaware. Mr. President, as I understand it, the only

way the Senate can approach the problem is first to vote on agreeing to the conference report.

If it should be rejected, a motion could be made to send the bill back to conference with instructions. I believe, first, a vote would come on the conference report, and if it is agreed to, there would be no other opportunity to get a vote. Is that not correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WILLIAMS of Delaware. Mr. President, I hope that the conference report will be rejected. If it is, I shall move to send it back to conference with instructions to insist on the Senate amendments.

Mr. President, once more I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I should like to reiterate my commendation of the Senator from Alabama for his handling of this measure. We have produced in conference a highly constructive piece of legislation which I think will do a great deal to alleviate positive mortgage money in this country. To me, it represents one of the most significant pieces of legislation passed by Congress.

Mr. SPARKMAN. I thank the Senator from Texas and I share his hopes as to the ultimate effects of this significant legislation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. LONG], the Senator from Motana [Mr. METCALF], the Senator from Oregon [Mr. MORSE], the Senator from Connecticut [Mr. RIBICOFF], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Ohio [Mr. YOUNG], and the Senator from West Virginia [Mr. RANDOLPH], are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Arizona [Mr. HAYDEN] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Connecticut [Mr. RIBICOFF], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Ohio [Mr. YOUNG], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Missouri [Mr. LONG], and the Senator from Oregon [Mr. MORSE], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from California [Mr. MURPHY] are absent because of illness.

The Senator from Idaho [Mr. JORDAN] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Idaho [Mr. JORDAN], and the Senator from California [Mr. MURPHY] would each vote "yea."

The result was announced—yeas 78, nays 7, as follows:

[No. 220 Leg.]

YEAS—78

Aiken	Gore	Montoya
Allott	Griffin	Morton
Anderson	Harris	Moss
Bass	Hart	Mundt
Bayh	Hickenlooper	Muskie
Bible	Hill	Nelson
Brewster	Holland	Neuberger
Burdick	Hruska	Pastore
Byrd, W. Va.	Inouye	Pearson
Cannon	Jackson	Pell
Carlson	Javits	Proxmire
Case	Jordan, N.C.	Russell, S.C.
Church	Kennedy, Mass.	Russell, Ga.
Clark	Kennedy, N.Y.	Saltonstall
Cooper	Kuchel	Scott
Curtis	Long, La.	Smathers
Dirksen	Magnuson	Smith
Dodd	Mansfield	Sparkman
Dominick	McCarthy	Stennis
Douglas	McClellan	Symington
Eastland	McGee	Talmadge
Ellender	McGovern	Thurmond
Ervin	McIntyre	Tower
Fannin	Miller	Tydings
Fong	Mondale	Yarborough
Fulbright	Monroney	Young, N. Dak.

NAYS—7

Boggs	Lausche	Robertson
Byrd, Va.	Prouty	Williams, Del.
Cotton		

NOT VOTING—15

Bartlett	Jordan, Idaho	Randolph
Bennett	Long, Mo.	Ribicoff
Gruening	Metcalf	Simpson
Hartke	Morse	Williams, N.J.
Hayden	Murphy	Young, Ohio

So the conference report was agreed to.

Mr. MANSFIELD. Mr. President, I should like to ask the distinguished Senator from Alabama [Mr. SPARKMAN] a question.

On the basis of the conference report just agreed to, what effect will that have on a lumber industry in the Rocky Mountain region and the west coast, which is approaching a state of crisis in some areas?

Mr. SPARKMAN. I should think it would have a stimulating effect. In fact, I would say it will have.

I might mention the fact that there is no industry that does more in providing jobs and getting funds into the hands of the homebuilder, the homeowner, and those interested in it, than the homebuilding industry, because it reaches out into just about all the reaches of our economy, even back to cutting logs in the woods.

Mr. MANSFIELD. And that is the lumber industry.

Mr. SPARKMAN. Yes. I had a statement at one time—I do not know whether I can find it now or not; if I do, I shall be happy to put it in the RECORD—that shows the effect on the economy of building, say, a million homes.

The statement follows:

The construction of a million homes is estimated to provide markets for 10 billion board feet of structural lumber, 1 billion square feet of soft wood and plywood, 1.2 billion board feet of flooring, 3.5 billion bricks, 1.8 billion pounds of cement, 1.5 million tons of steel, 10 million doors, 5 million kitchen cabinets, 20 million wall-plug outlets, 10 million electric switches.

Mr. MANSFIELD. Mr. President, I asked the question for the RECORD because, while I knew that it would have an effect, it is nice to have it in black and white, and especially from the lips of the distinguished chairman of the Senate conferees; because in western Montana, while the lumber industry is still in fairly good shape, if something like this had not been done, it would be in pretty bad shape in the not too distant future.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. Will there be any area in the country in which the adoption of the conference report will not have a stimulating effect on the development of business?

Mr. SPARKMAN. I do not believe so. I think it will be nationwide.

Mr. LAUSCHE. Does that mean that the passage of the bill will accelerate the rise of costs, and contribute to the conquest that inflation is making on our economy?

Mr. SPARKMAN. I do not agree with that. We discussed that matter in the course of discussing the conference report.

Mr. MANSFIELD. Quite the contrary, would not the Senator say?

Mr. SPARKMAN. Yes, because housing, decent shelter, is as much an essential as food, medicine, and clothing. We do not think of those things as being inflationary. Why should we think of this as being inflationary?

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. I am sure the Senator agrees that money pumped into the economy, regardless from what source it comes, does have some inflationary impact. If we pump $3 billion additional into the economy—and I supported the first proposal of $3 billion—it would have had some effect. The bill as just passed provides for $4,650 million, or about $1.25 billion more than the Senate bill and more than the President recommended; and it will have that much more impact. Certainly, as this new money increases the demand for refrigerators and all the other appliances, it will automatically and inevitably have some effect on the economy. Whether the advantages are offset by the disadvantages is another point. But nevertheless, Congress cannot appropriate any amount of money without having an impact; and, as the President pointed out yesterday, this continuous increase in Government spending is what is causing the threat of price controls, wage controls, and a tax increase.

That is the reason why I was reluctant to see the Senate pass a bill here this morning providing $1.25 billion more than the President wanted, more than he said he needed. An extra $1.25 billion which the President yesterday said would be highly inflationary if this were done.

I repeat again my hope and expectation that the President will use his veto pen. He has said that he is against this spending and if he is against it there is only one thing for him to do, and that is to veto some of these measures. I, as a loyal supporter of economy, will be here

carrying his banner when the veto message comes back.

Mr. YARBOROUGH. Mr. President, the Senator from Alabama had the floor immediately before the unanimous-consent request by the majority leader. I have a question to ask the distinguished Senator from Alabama. I yield myself 3 minutes on the bill at this time, since we are operating on controlled time.

The PRESIDING OFFICER. The Senator from Texas is recognized for 3 minutes.

Mr. YARBOROUGH. Mr. President, I point out to the distinguished Senator from Alabama that the communications from my State over the past weeks, received from people in different walks of life, point out that the drying up of mortgage money for homebuilding has virtually slowed homebuilding to a standstill. The greatest threat has been the decline in homebuilding and the absence of mortgage money. That is a greater danger than inflation. That statement has come to me from bankers, officials of savings and loan associations, homebuilders, and people in the supply business.

Does not the distinguished Senator from Alabama believe that the conference report that he sponsors today will help to stabilize the economy rather than unsettle it?

Mr. SPARKMAN. I certainly do.

Mr. YARBOROUGH. Does not the Senator believe that it will be a strong stabilizing factor?

Mr. SPARKMAN. I certainly do. An economy cannot be healthy if an appreciable part of it is unhealthy, and that is the situation which exists, so far as homebuilding and homeownership are concerned. An unhealthy condition does exist in homebuilding and homeownership.

Mr. YARBOROUGH. Mr. President, the communications I have received state that young people, due to a shortage of money, are not able to get the downpayments with which to buy a home. Many young people have conferred with lending institutions and homebuilders. They leave with a sense of frustration and a belief that the opportunities which they had a year ago have dried up and have prevented them from becoming homeowners.

I ask the distinguished Senator whether the conference report which has just been agreed to will help to unfreeze the money for the building of homes and help the flow of commerce in that direction.

Mr. SPARKMAN. That is our hope.

Mr. YARBOROUGH. Mr. President, I thank the Senator for his great contribution in this regard.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House disagreed to the amendments of the Senate to the bill (H.R. 4665) relating to the income tax treatment of exploration expenditures in the case of mining; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. KING of California, Mr. BOGGS, Mr. KEOGH, Mr. BYRNES of Wisconsin, Mr. CURTIS, and Mr. UTT were appointed managers on the part of the House at the conference.

SOIL SURVEY PROGRAM FOR GUIDANCE IN COMMUNITY PLANNING AND RESOURCE DEVELOPMENT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 902) to provide that the Secretary of Agriculture shall conduct the soil survey program of the U.S. Department of Agriculture so as to make available soil surveys needed by States and other public agencies, including community development districts, for guidance in community planning and resource development, and for other purposes, which were on page 3, line 10, strike out "full"; and on page 3, after line 15, insert:

The provision by the Secretary of such assistance shall not interfere with the furnishing of engineering services by private engineering firms or consultants for on-site sampling and testing of sites or for designs and construction of specific engineering works.

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

FAIR LABOR STANDARDS AMENDMENTS OF 1966

The Senate resumed the consideration of the bill (H.R. 13712) to amend the Fair Labor Standards Act of 1938 to extend its protection to additional employees, to raise the minimum wage, and for other purposes.

UNANIMOUS-CONSENT REQUEST

Mr. MANSFIELD. Mr. President, the distinguished Senator from Arizona has been most patient and most considerate, and I think it is only fair to him and to the Senate to propound the unanimous-consent request, which I have discussed with the distinguished minority leader, the manager of the bill; the Senator from Texas [Mr. YARBOROUGH], the ranking minority member and manager on the Republican side [Mr. JAVITS], the distinguished Senator from Louisiana and chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER], and the distinguished Senator from Florida and chairman of the Agriculture Subcommittee on Appropriations [Mr. HOLLAND], as well as other Senators.

Mr. President, I ask unanimous consent that debate on any amendment to the pending bill be limited to 1 hour, to be equally divided between and controlled by the proponent of the amendment and the manager of the bill, with the exception of the Javits child labor amendment, on which there is to be allotted 2 hours to be similarly divided and controlled, and the Ellender-Holland agricultural amendment, on which there will be 3 hours equally divided and controlled; and that debate on final passage be limited to 5 hours, with the 1 and the 2 hours I have mentioned taken away.

Mr. SMATHERS. Mr. President, reserving the right to object, may I ask the majority leader a question? I did not hear the first part of the unanimous-consent request. Does it prohibit or preclude further amendments being offered?

Mr. MANSFIELD. No; it does not.

Mr. SMATHERS. We can still offer them. I have no objection.

Mr. JAVITS. Mr. President, reserving the right to object, as I understand it, although the majority leader said that the 5 hours was to be on passage of the bill, that does not prevent that time from being allocated on any amendment or at any time during the consideration of the bill.

Second, Mr. President, I ask the majority leader, as a part of his unanimous-consent request, to make a reservation as to the germaneness, which will be accepted for the purpose of the unanimous-consent request, of an age-discrimination-in-employment amendment which I shall propose for myself and other Senators.

Mr. MANSFIELD. I ask unanimous consent that the regular rule be included in the request. Also, what the distinguished Senator from New York has said relative to additional time on the bill being allocated to his amendment and to that of the Senator from Florida and the Senator from Louisiana will be adhered to; and if any additional time is needed, they need have no hesitation to ask for it, and I am confident the request will be granted.

Mr. JAVITS. On those or other amendments?

Mr. MANSFIELD. On those and other amendments.

Mr. JAVITS. And the time will be equally divided between the majority and the minority, and controlled by the manager on each side?

Mr. MANSFIELD. On that request, I would request that time be under the control of the majority and the minority leaders or whomever they may designate.

Mr. ELLENDER. Mr. President, as I understand, the Senator has reduced the number of hours from 9 to 5?

Mr. MANSFIELD. From 8 to 5, because of an extra hour for the Senator from New York and 2 extra hours for the Senator from Louisiana and the Senator from Florida; and more time will be provided if needed.

Mr. ELLENDER. I understood that on the amendment of the Senator from Florida and myself, the time would be 3 hours, and on that of the Senator from New York, 2 hours. That would be separate and apart from the 9 hours allowed on the bill?

Mr. MANSFIELD. Mr. President, I ask that the time be raised from 5 to 8 hours on the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. JAVITS. Mr. President, is it understood that the time on the bill, the 8 hours, is to be equally divided between the majority and the minority leaders?

The PRESIDING OFFICER. Or someone designated by them.

Mr. MANSFIELD. Yes.

Mr. President, before the question is put, I see the distinguished Senator from Florida is now in the Chamber. I wish to make sure that he understands the request.

Mr. HOLLAND. Mr. President, reserving the right to object, do I correctly understand that on the amendment which would exempt agricultural labor from the coverage of the bill, 3 hours have been allowed?

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Yes. More time on the amendment can be allowed under the 8 hours asked for on the bill itself.

Mr. HOLLAND. Mr. President, I thank the majority leader. I have no objection.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

The unanimous-consent agreement, subsequently reduced to writing, reads as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the further consideration of the bill (H.R. 13712), an act to amend the Fair Labor Standards Act of 1938 to extend its protection to additional employees, to raise the minimum wage, and for other purposes, debate on any amendment [except one (No. 759) to be offered by the Senator from New York, Mr. JAVITS, which is to be debated for 2 hours, and one (No. 766) to be offered by Senators HOLLAND-ELLENDER, which is to be debated for 3 hours], motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion, and the Senator from Texas [Mr. YARBOROUGH]: *Provided,* That in the event the Senator from Texas [Mr. YARBOROUGH] is in favor of any such amendment or motion the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received, except amendments numbered 759, 764, 766.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 8 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. FANNIN. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 10 minutes.

Mr. FANNIN. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. FANNIN. Mr. President, of concern to me as I offer my stretch-out amendment to the minimum wage bill are the historical objectives of this legislation. What we are trying to achieve are fair increased wages, but without the loss of jobs and without an adverse impact on small businesses or industries with marginal earnings.

The same small business organizations that we are supposed to be protecting through the efforts of the Senate Select Committee on Small Business and through the expenditure of millions of dollars by the Small Business Administration will be those hardest hit.

We also devote a great deal of attention to the plight of the fringe worker who is finding job opportunities disappearing as we enter the computer age. We have created programs to help them. Yet the passage of this bill will guarantee that tens of thousands of men and women now employed in retail stores will find their jobs disappearing.

Surveys show that many retailers will have to drastically reduce their number of employees and place the remaining ones on a shorter work week, again in an effort to bring costs into line. If my colleagues have been reading their mail they know the pleadings of many of their constituents. One of many respondents said that his store would be left with a profit of 0.8 percent before taxes and he is one of the small businessmen that we say we are dedicated to aid.

My objection to making the $1.60 an hour minimum wage requirement applicable in February 1968, is prompted by my sincere concern that this early date will defeat completely the very purpose of the Fair Labor Standards Act. The preamble of the act states:

To correct and as rapidly as possible eliminate in industries engaged in commerce or the production of goods for commerce of * * * labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency and general well-being of workers in such industries without substantially curtailing employment or earning power. (Public Law No. 718, 75th Cong., 3d sess., ch. 676, S. 2475.)

Too great an increase would in my opinion cause severe hardship on the very people it purports to protect—the unskilled, uneducated, and especially our youth. It will deny them the job opportunities they require since employers seeking to maintain wage levels commensurate with productivity will necessarily be forced to seek employees with higher skills and greater productivity. The result of a minimum wage going too far; too fast, will be to further increase the national problems in our welfare programs.

The bill provides for a 20-cent increase that would become effective only 1 year after the economy has absorbed the 15-cent increase to $1.40. This proposed increase is equivalent to an annual rise of 14.3 percent—a drastic upward movement that is without precedent in nearly three decades of minimum wage legislative history.

My amendment would not disturb the 15-cent boost to $1.40, but would stretch out the absorption period to 24 months—the same length of time voted by the House.

If we followed the pattern of increases and effective dates established in prior amendments to the minimum wage law, a 36-month period would be more appropriate.

Even the 24-month period called for in this amendment would exceed the historic pattern and would shatter what is left of the administration's guidelines. It would produce an annual increase of 7.2 percent—a figure that is more than double the guideline concept.

The 36-month period by contrast would have produced an annual increase of only 4.7 percent, and this is considerably more in keeping with the guideline concept as well as past experience.

In the period 1947–63, minimum hourly wage rates were raised substantially—in fact, much more on a percentage basis than the average for all wages. Gross hourly earnings of production workers in manufacturing doubled in this period from $1.22 to $2.46 per hour. In the same period legal minimum wage rates increased nearly threefold.

There are, of course, two sides to every issue. Those of us who support minimum wage legislation base our support on social and humanitarian factors.

But, nevertheless, our support for this legislation should not be so fervent as to arbitrarily fix a minimum wage increase more rapidly than average wages in American industry.

Raise the minimum wage too fast and you do not achieve the objective.

We all know that our most acute employment problem facing us today and for some years to come is found in our teenagers. We must not deny these potential employees the job opportunities. I believe a 24-month period is a reasonable approach to assure a decent minimum wage of $1.60 but not at so rapid a pace as in the pending bill.

Mr. President, based on the existing administration's 3.2-percent guideposts, the minimum wage called for in this bill is without question excessive. I do not believe that this 3.2-percent guidepost is sacrosanct. I therefore would support the $1.40 an hour minimum wage for February 1967, and even the eventual requirement of $1.60; but in all good conscience I feel that to apply this rate in February 1968, is unjust to all concerned, and exceeds so greatly the noninflationary guideposts, that we must adopt my amendment.

We now have full-employment economy which is in danger of overheating. Any excessively imposed wage fixing policies at this time will pose an added and serious threat to our economic stability.

I would like to call to the attention of Senators that on May 18, 1965, when the President sent his labor message to Congress he supported revisions in our minimum wage law and he supported an increase, but with the proviso that—

The question is not whether the minimum wage should be increased but when and by how much. The Congress should consider carefully the effects of higher minimum wage rates on the incomes of those employed, and also on costs and prices, and on job opportunities—particularly for the flood of teenagers now entering our labor force.

With this very appropriate comment in mind from our President, I doubt the wisdom of legislation which would make the $1.60 minimum wage applicable in February 1968.

Mr. President, a 14.3-percent increase will prove extremely detrimental.

Mr. President, I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. YARBOROUGH. Mr. President, the proposed amendment, which would stretch out the applicability of the second-step increase of the minimum wage from $1.40 to $1.60 an hour from 1968 to 1969, therefore postponing for 1 year the effective date of the second step of this increase, would further worsen our poverty problem in America.

I favor the amendment of the Committee on Labor and Public Welfare, raising the minimum wage to $1.60 an hour by February 1968, and I urge the Senate to retain the committee amendment.

If a person worked 8 hours a day, 5 days a week, and had no illness and no layoffs and no loss of time and no vacation, and he worked 52 weeks a year, at the rate of $1.40 an hour he would earn $2,912 in a year. Until we get him up to the $1.60 an hour, he has not even reached the poverty level of income.

By the vast profits made in America today and the high rate of income of our people, we are zeroing poverty in. We are acknowledging and supporting poverty by law, unless we raise the minimum wage standard to at least above the poverty level.

If $1.60 an hour, which is the maximum rate that this bill would raise wages to, were earned 8 hours a day, 5 days a week, for 52 weeks in a year, without any loss of time by layoff, by shortages of work, by illness, or anything else, a worker would earn $3,328 a year. That is all he would earn. And we must get it up to the $1.60 level before we reach what is generally regarded as the level of poverty. That is not the only consideration in considering what is the level of poverty.

When the Fair Labor Standards Act was enacted in 1938, it was generally recognized that such legislation must be periodically updated to meet the changing needs of our dynamic industrial society. The cost of providing a nutritionally adequate diet, shelter, and the other essentials for a family of four, as determined by welfare agencies, as a basis for food allotments for needy families, was $4,000 a year in 1963. The poverty level was approximately $3,000 to $3,200 a year during 1963, and adequate diet and decent housing would have been difficult to achieve at this level of income.

Assuming an increase in the cost of living of 3 percent a year, generally considered to be a low estimate, the expectation of a 15 percent increase from 1963 to 1968 would set the poverty level at about $3,500, and the level necessary for a nutritionally adequate diet and decent shelter at $4,600 annually. And we do not even approach that amount in the maximum levels we come to. An increase to $1.60 an hour by 1969, if this were postponed another year, as proposed by the pending amendment, would not even keep pace with the rise in cost of the poverty standard of living.

This does not even keep up with the poverty standard of living, much less the overall standard of living of the American people.

A fully employed worker, working all year, without illness or layoff, at $1.60 an hour would earn a gross annual income of $3,328 a year. His take-home pay, after the deductions required for social security, carfares, and the other expenses necessary to produce his income, would be well below the amount considered the poverty level today, much less in 1968.

Men need self-respect and the respect of their wives and children. Men do not want or need public assistance. They would rather earn money. I know. In my youth, I worked in the harvest fields of the West. I followed the harvest north and slept on the ground. I have worked in the old fields of the West, sleeping in bunkhouses, with over a hundred men, on narrow ledges. I have worked at sea as a seaman. I have worked on the cotton farms.

I know the working people of America. They do not want charity. They want jobs and the chance to earn a decent living, and they need a decent living wage in return for their labor.

Where is the incentive for work, when a week's work does not even provide for a week's necessities? A wage which provides insufficient food, inadequate clothing, and miserable shelter hardly breeds self-respect, and sets little example for the children of poverty. How can these children be taught the values and satisfactions of work well done, when welfare handouts provide as much or more than the returns of hard labor?

We hear many complaints about welfare handouts being larger than wages. Shame on the situation. The wages should be bigger. They should be sufficient to keep skin and bones together. It is not because the welfare payment is so large; it is because the wages of labor are so low.

Gentlemen, even $1.60 an hour barely provides a poverty level of living today. How can we project it as too much for 1968? Dare we wait for 1969 to bring it up to that level?

Mr. President, I point out the table at page 16 of the report, and ask that this table be printed at this point in the RECORD—the minimum wage provisions.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Specified rate	Estimated number of employees earning less than specified rates on effective date		Estimated annual wage bill increase on effective date	
	Number (thousands)	Percent	Amount (millions)	Percent
$1.40	3,794	12	$804	0.5
$1.60	5,887	18	1,958	1.1

Mr. YARBOROUGH. Mr. President, the table points out that of the 29.6 million people covered by the minimum wage law, 3.794 million earn below the $1.40 minimum for next year. Of the 29.6 million workers who will be covered when this law becomes effective on February 1 of next year, all will be earning more than $1.40 an hour except 3.794 million, which is 12 percent of the working force. That amounts to only one-half of 1 percent increase in the cost of wages of all those people, out of the whole economy.

We would take the $1.60 step in 1968; and then, of the 29.6 million workers covered by the old law, 5.887 million will be earning less than that, and it will bring their wages up, and that is 1.1 percent of the wages of this group.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. YARBOROUGH. I yield 5 minutes to the Senator from New York [Mr. JAVITS] in opposition to the amendment.

THE "STRETCH-OUT" AMENDMENT

Mr. JAVITS. Mr. President, this was a subject which was very ardently discussed in the committee, primarily because it represents a change in the bill from the other body. I started with no predilections about it either way. I finally came to the conclusion that I had to support the reduction of the time within which the $1.60 minimum would take effect from 2 years to 1 year. That is the difference.

My reason is as follows: I believe that the minimum wage of $1.60 can be justified now, and that we are not in the position where we have to wait for economic conditions to catch up to the $1.60 minimum.

In my judgment, the most critical data appear at page 3 of the committee report, and reveal the following facts. Where we are dealing with industries covered under the act, there are only about 10 percent of those with incomes under $3,000 a year. The last figures which we have are for 1964. But where we get to the industries where there is little or no coverage, the proportion jumps at least 30 percent.

I think that $1.60, as to workers already covered, is justified now by the facts, and, therefore, I do not see why we should wait any longer to apply the basic safeguards which are required. I do not consider that we have inflationary questions concerned here because this is a minimum we are dealing with, and the productivity of the country can certainly well accommodate a basic minimum which is compatible with minimum subsistence. If it cannot, we have no business being in existence as a country. Of course, we know that productivity can accommodate such a minimum.

The argument is made that if the minimum is raised, it will cause a whole structure of increases above that by reason of the fact that employees in higher brackets will seek increases—a kind of "ripple effect." The history of the minimum

wage development does not indicate this to be the fact.

Superficially and theoretically it may be so argued. Actually and practically it does not represent the facts and the history of the increases in minimum wages which have preceded this one.

I believe that 1 year from February 1, 1966, is ample time to prepare to deal with a substantially higher minimum of $1.60. I am convinced of the economic justification which is present now, and the only reason for deference is to allow people to conform themselves to the new requirements, to consider how, perhaps, low-level wage employees might become more productive to justify this, and so forth.

It seems to me, knowing business practices as I do, that 1 year is more than ample for the purpose. Hence, my argument against the amendment is that no basic reason has been shown for a deference beyond 1 year, because the economics are ready now for $1.60.

The only argument is one of practical conformance in terms of getting business to accommodate to a new standard, and practical conformance is given ample latitude in the space of 1 year.

I think the amount fixed as a minimum is a modest one. It does not go to the $1.75 figure that many contended for, or the $2 figure that others contended for. It contended itself with the maximum which could be beyond dispute.

Mr. President, even the proponents of the amendment does not dispute this. Hence, I believe the amendment should be rejected and we should, on the part of the Senate, go to conference in what is a proper posture for us, and the same time give business the opportunity to accommodate itself in a practical way within the year provided in the bill.

Mr. FANNIN. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER (Mr. GORE in the chair). The Senator is recognized for 5 minutes.

Mr. FANNIN. Mr. President, we have heard a great deal about the poverty level, and the statement has been made that we must move to $1.60 as soon as possible, since any delay will perpetuate poverty. Why wait for even 1 year, at $1.40?

It is not realistic to have that much delay in such a period of time. We are all concerned about jobs and without jobs we would have drastic poverty. But when talking about raising the level at this rate, and why its should not be, the answer is obvious to those familiar with American wage patterns because those who earn a minimum wage, in an overwhelming number of cases, are secondary wage earners—teenagers, housewives, and wage earners starting their careers at first jobs. They are often not heads of families whose earnings must support the "average" 4 months cited by the Office of Economic Opportunity. If the wage floor goes up too fast, these are the people who will be unable to find work and be forced into the despair of unemployment. If this were not the case, then Congress could waive its legislative wand, establish the minimum wage at $4 per hour immediately, and solve every economic ill we face in the country.

In the Los Angeles Times of July 20, 1966, an article on this subject was printed which went to the heart of the matter we are discussing. The author, Ernest Conine, has this to say about minimum wages and their effect on the lower paid workers:

Labor leaders like to talk as though they champion higher minimum wages out of concern for the unfortunates at the bottom of the pay ladder.

Actually, the motivation is less altruistic. The union's push for higher wage floors because the effect is to push up wage rates for everybody, including skilled workers who already earn $10,000 a year or more.

There's nothing evil about all this, of course; but the visible benefits of a minimum wage increase should not blind us to the detrimental effects—chief among which is the intensification of hard core unemployment—so that these may be dealt with.

This is precisely why we must be careful not to raise the wage floor too fast. We must not create unemployment for unskilled people while other governmental agencies are trying desperately to create jobs for them. At the same time we must avoid pushing up the wages of workers well above the floor in a manner that would cause higher prices.

Figures from the Bureau of Census, furnished when this issue was debated in the other body, make it clear that the average family in this country has more than a single wage earner. Even if all the wage earners in the family earned only the minimum the $1.40 level to which we will move next February will raise the families in the low income group well above the $3,000 poverty level. We will not perpetuate poverty by holding at the $1.40 level for 24 months; indeed, if we can help bank inflationary fires, we will help make life better for those who must spend everything they earn to live.

Mr. President, I ask unanimous consent to have printed in the RECORD the information to which I have just referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, D.C., June 8, 1966.

Hon. THOMAS G. MORRIS,
House of Representatives,
Washington, D.C.

DEAR MR. MORRIS: Secretary Connor has asked me to reply to your letter of May 25, requesting information on the average number of wage earners per family for all families and low-income families in the United States. The requested average number of earners is:

Average number of earners	All families	Low-income families
1964		
Average (mean) per family, including no earners	1.5	1.1
Average (mean) per family with 1 or more earners	1.7	1.5
1963		
Average (mean) per family, including no earners	1.5	1.1
Average (mean) per family with 1 or more earners	1.6	1.5

The average (mean) number of earners was derived from table 6 in the enclosed copy of the Consumer Income, *Current Population Reports*, Series P–60, Numbers 43 and 47. Earners include all persons in the family with wages or salary and self-employment income.

These figures represent estimates derived from sample surveys of households conducted by the Bureau of the Census in March 1965 and 1964. Because the estimates are based on a sample, they are subject to sampling variability.

Sincerely yours,

A. ROSS ECKLER,
Director, Bureau of the Census.

Enclosures.

Annual earnings computations (40 hour workweek, 52 weeks)

Low-income category	Poverty level [1]	Income at $1.40 rate
1.0 (individuals)	$1,500	$2,912
1.1 workers per family	3,000	3,203
1.5 workers per family	3,000	4,368

[1] Source: Project Head Start, community action program, Office of Economic Opportunity, Washington, D.C., "An Invitation To Help" (p. 13).

As shown by the above figures, when the minimum reaches $1.40, income of workers covered by minimum wage legislation will exceed poverty levels.

Mr. FANNIN. Mr. President, as this information shows, the average low income family has 1.5 wage earners. At $1.40 per hour, this means that that family will receive an annual income of $4,368—well above the poverty level of $3,000. Even if you include low income families who are on relief in your computations, the $1.40 level produces an annual income of $3,203.

In other words, when we talk about minimum wages and poverty—when we say that there are people who are employed full time and still earning less than a poverty income—we are talking about coverage, not rate. The Senator from Texas talked yesterday about people working full time at very low wages—40 to 60 cents an hour. Raising the minimum wage will not help these people, because the present floor of $1.25 is above their present wage. They don't need to have the floor raised too quickly for everybody else; they need to be covered themselves. I realize that there are good and sufficient reasons for withholding coverage from certain workers, and I support such exemptions. But I say that we should hear no more of this argument about the rate being the key to eliminating poverty. As soon as the rate goes to $1.40, as the census figures show, families and individual workers will be earning annual incomes in excess of the poverty levels, if they are covered by the minimum wage.

Mr. KENNEDY of New York. Mr. President, I strongly oppose the amendment offered by the Senator from Arizona [Mr. FANNIN].

The arguments that he makes concerning the guidelines and the difficulty the economy will have in absorbing these wage increases are unpersuasive in my judgment.

The workers whom the bill would benefit are people who do not receive a living wage. The $1.40 an hour which

the bill provides beginning next February 1 amounts to $2,912 a year—less than the generally accepted poverty line. The $1.60 an hour which would go into effect the following year is only $3,328 a year. To challenge coverage of this kind on the ground that it transcends the guidelines is not really to the point, for the guidelines were never intended to preclude increases of the magnitude needed to bring a living wage to those who earn a substandard income.

And the overall cost of going up to $1.60 an hour by February 1, 1968, is miniscule in an economy which has a gross national product of $732 billion. The cost will be less than three-tenths of 1 percent of our gross national product. The important thing that the bill would do is give thousands of people now working at substandard wages some additional purchasing power—a slightly fairer return for the work that they put in. This is the kind of investment that all of us—on either side of the aisle and whatever our political thinking—should be willing to make for those less fortunate than we. For it is an effort to improve living standards which is based on work and on pay given for services rendered. I believe that that is the kind of antipoverty effort that all of us can agree about.

Mr. President, I therefore oppose the Fannin amendment. To adopt it, in my judgment, would be a great mistake, a failure in our responsibility to improve the conditions of the "working poor" of our Nation.

Mr. FANNIN. Mr. President, I yield back the remainder of my time.

Mr. YARBOROUGH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Arizona.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SYMINGTON (when his name was called). On this vote I have a pair with the distinguished Senator from California [Mr. MURPHY]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. SCOTT (after having voted in the negative). On this vote I have a pair with the distinguished Senator from Utah [Mr. BENNETT]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. MANSFIELD (after having voted in the negative). On this vote I have a pair with the distinguished Senator from West Virginia [Mr. RANDOLPH]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. INOUYE. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. LONG], the Senator from Montana [Mr. METCALF], and the Senator from West Virginia [Mr. RANDOLPH] are absent on official business.

I also announce that the Senator from Tennessee [Mr. BASS], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Louisiana [Mr. LONG] and the Senator from Minnesota [Mr. MCCARTHY] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. LONG] and the Senator from Minnesota [Mr. MCCARTHY] would each vote "nay."

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Idaho [Mr. JORDAN]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Idaho would vote "yea."

On this vote, the Senator from Alabama [Mr. HILL] is paired with the Senator from Tennessee [Mr. BASS]. If present and voting, the Senator from Alabama would vote "yea," and the Senator from Tennessee would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from California [Mr. MURPHY] are absent because of illness.

The Senator from Idaho [Mr. JORDAN] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

On this vote, the Senator from Idaho [Mr. JORDAN] is paired with the Senator from Alaska [Mr. BARTLETT]. If present and voting, the Senator from Idaho would vote "yea" and the Senator from Alaska would vote "nay."

On this vote, the Senator from Wyoming [Mr. SIMPSON] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Louisiana would vote "nay."

The positions of the Senator from Pennsylvania [Mr. SCOTT], the Senator from Utah [Mr. BENNETT] and the Senator from California [Mr. MURPHY] have been previously stated.

The result was announced, yeas 40, nays 42, as follows:

[No. 221 Leg.]

YEAS—40

Allott	Fulbright	Pearson
Boggs	Griffin	Robertson
Byrd, Va.	Harris	Russell, Ga.
Carlson	Hickenlooper	Saltonstall
Church	Holland	Smathers
Cooper	Hruska	Sparkman
Cotton	Jordan, N.C.	Stennis
Curtis	Lausche	Talmadge
Dirksen	McClellan	Thurmond
Dominick	McIntyre	Tower
Eastland	Miller	Williams, Del.
Ellender	Monroney	Young, N. Dak.
Ervin	Morton	
Fannin	Mundt	

NAYS—42

Aiken	Hart	Muskie
Anderson	Inouye	Nelson
Bayh	Jackson	Neuberger
Bible	Javits	Pastore
Brewster	Kennedy, Mass.	Pell
Burdick	Kennedy, N.Y.	Prouty
Byrd, W. Va.	Kuchel	Proxmire
Cannon	Magnuson	Ribicoff
Case	McGee	Russell, S.C.
Clark	McGovern	Smith
Dodd	Mondale	Tydings
Douglas	Montoya	Williams, N.J.
Fong	Morse	Yarborough
Gore	Moss	Young, Ohio

NOT VOTING—18

Bartlett	Hill	Metcalf
Bass	Jordan, Idaho	Murphy
Bennett	Long, Mo.	Randolph
Gruening	Long, La.	Scott
Hartke	Mansfield	Simpson
Hayden	McCarthy	Symington

So Mr. FANNIN's amendment was rejected.

Mr. YARBOROUGH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG of Louisiana. Mr. President, I wish to state for the record that on the previous vote I had a pair with the Senator from Wyoming [Mr. SIMPSON]. If he had been present and voting, he would have voted "yea" and if I had been at liberty to vote, I would have voted "nay."

Mr. DODD. Mr. President, it cannot be disputed that, collectively, the people of this country enjoy the highest standard of living anywhere in the world.

Yet in the midst of this abundance and prosperity, it is painfully obvious that many people, many families still lack the resources to maintain more than a minimal existence. More often than not these people do not have the things that most of us consider to be the necessities of life, much less the numerous luxuries and niceties which the majority of us have come to take so for granted.

I am not speaking here only of the unemployed and the welfare recipients. Hundreds of thousands of these individuals work at full-time jobs, and often even seek a second job, in order to provide their families a subsistence-level income.

The administration's antipoverty campaign has directed the attention of the entire Nation to the most extreme cases of deprivation and want and has initiated a program to help eliminate this blight from the American scene.

The heart of this poverty program, and of the Nation's social policy in general, is the sound and realistic principle of self-help.

Certainly, there is nothing more essential to the concept of economic self-help than the opportunity for a man to earn a decent living wage for a reasonable day's work.

This to my mind is the issue before us as we consider new minimum wage legislation. We are concerned here not with problems of big labor or big business, but of the individual employees in small businesses and industries, of migrant farmworkers, of hotel and restaurant workers, of hospital and laundry employees.

We are concerned here with persons whose low wages do not reflect the rising standards enjoyed by the majority of the American labor force. Many of these people fall into a category described by President Johnson as the "working poor."

I strongly support the minimum wage bill now before us as a needed response to this lamentable situation.

In simplest terms, these proposed amendments to the Fair Labor Standards Act of 1938 would extend minimum wage protection to 7.2 million new workers and would raise the current minimum wage in stages to $1.60 per hour.

It is important to note, I think, that 82 percent of the 30 million workers now covered by Federal minimum wage regulations already earn more than the proposed $1.60 per hour.

Thus this bill would have little or no impact on them.

It would be of tremendous significance to the 18 percent who fall short of this wage level and, more importantly, to the families of the more than 7 million service, trade and agricultural workers who would be covered for the first time. Of these, it is estimated that 905,000 now earn less than a dollar an hour, including such extreme cases as fieldworkers who receive as little as 30 cents an hour for their backbreaking labor.

Obviously, many of the 7.2 million who would be covered by H.R. 13712 are now among the lowest paid workers in the country.

These are decent hardworking Americans who continue to be shortchanged as the general wage level rises—these workers often belong to no unions, have no strong industrial organization behind them, are represented by no lobbies in Washington, and they will remain at a disadvantage in bargaining for better wages unless Congress does something to help.

I believe this minimum wage legislation is the best approach to the problem. And while such action is not formally part of the antipoverty program, I believe it can be a most effective weapon against the economic immobility which perpetuates the poverty cycle and its concurrent frustrations and hopelessness.

Under the terms of H.R. 13712 as reported, the minimum wage would be increased in two steps to $1.60 in February 1968. For newly covered employees, it would begin at $1 and reach $1.60 in 1971. The single exception to this is the minimum wage for agriculture workers, which would begin at $1 and be raised in two additional steps to an eventual $1.30 in 1969.

Surely this is not unreasonable in a country where the productivity of workers has increased dramatically in recent years, where the real value of the gross national product increased more than 4.3 percent from 1960 to 1964, where the GNP for 1965 was $681.2 billion, and where corporate profits reached $75.7 billion for the same year.

The last minimum wage bill was passed in 1961, and the $1.25-per-hour floor did not go into effect until 1963. I think I can safely say that increases in the cost of living in this period have more than absorbed this last wage increase.

Surely an increase of $0.45 over 5 years, from 1963 until the $1.60 wage becomes effective in 1968, is not unreasonable.

Opponents of H.R. 13712 argue mightily that it would be inflationary to assure workers an eventual $68 for a 40-hour workweek.

To these persons I would cite the letter of Arthur Okun, Acting Chairman of the President's Council of Economic Advisers, regarding this legislation. Stressing the fact that the level of the minimum wage has not kept pace with our economic advantages, Mr. Okun says:

> An important feature of H.R. 13713 is that its enactment will not hamper our policy designed to preserve stability of costs and prices. First the provisions of the bill will become effective in two stages; the timing makes possible a gradual adjustment without causing disruptive cost pressures.
>
> Secondly, the minimum wage for the newly covered worker begins with a very modest figure of $1 and rises gradually over a period of 4 years.
>
> Thus, the content of H.R. 13713 reconciles the goals of our social policy with the vital objectives of non-inflationary prosperity for the American economy.

The second specter always raised by critics of minimum wage legislation is that it will create new unemployment. As the committee points out in its report, our long record of economic growth and high employment dispels this textbook argument just as it does the inflation issue.

I am proud to say that in my own home State of Connecticut, we already have minimum wage laws covering as many as 340,000 workers who are not now protected by the Federal minimum wage. These include such categories as restaurants, hotels, hospitals, laundries, and retail and service establishments which would be brought under the provisions of the new national regulations.

There are, however, a few important areas which are not yet covered in the State, such as agriculture workers, and not all categories receive the full $1.25 provided by Federal coverage.

I would like to see these individuals in my State and workers throughout the Nation assured a decent living wage, regardless of their specific occupation.

I believe that we need new minimum wage legislation. I believe that H.R. 13712 is a good effective bill. And I will continue to oppose any efforts to limit coverage under this measure, to string out the wage increases over a longer period of time, or to significantly weaken the provisions of the measure in any other way.

Mr. HOLLAND, Mr. YARBOROUGH, and Mr. FULBRIGHT addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. YARBOROUGH. Mr. President, will the Senator yield time on the bill in order that the Senator from Arkansas may engage in a colloquy?

Mr. HOLLAND. Mr. President, I shall be glad to do so. Then I have a colloquy which I would also like to be taken out of the time on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Do I understand correctly that, under existing law, an individual outlet or establishment of a retail chainstore enterprise is exempt from coverage if gross annual sales of the individual establishment do not exceed $250,000?

Mr. YARBOROUGH. That is my understanding of the law. Each retail outlet is considered as a separate store, business, or unit.

Mr. FULBRIGHT. And this is true regardless of what might be the aggregate gross annual sales of the enterprise as a whole?

Mr. YARBOROUGH. That is correct.

Mr. FULBRIGHT. Do I also understand correctly that the pending bill would make no change in this provision of existing law?

Mr. YARBOROUGH. That is correct.

Mr. HOLLAND. Mr. President, I wonder if I may engage in a colloquy with the Senator from Texas, from time on the bill?

Mr. YARBOROUGH. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SHADE TOBACCO

Mr. HOLLAND. Mr. President, on May 25, 1966, during the course of debate on this legislation in the House, Congressman FUQUA, of Florida, asked this question of the manager of the bill [Mr. DENT].

> Would enactment of this legislation in any way change the exemptions contained in section 13(a)(14) of the act for employees employed in the growing and harvesting of shade tobacco?

Mr. DENT's reply was that he had contacted the Department of Labor and the Director of the Bureau, and was informed to the effect that growing and harvesting of shade-grown tobacco on through to the shed processing is exempt under special exemption all the way through to the stemming process and will not be covered by this legislation.

If this is the correct interpretation, it would be correct to say that these workers will remain exempt while growing and harvesting as well as processing this product up to the stemming process.

I would like to ask the manager of the bill if this is his understanding under the bill we are considering.

Mr. YARBOROUGH. I say to the distinguished Senator from Florida that that is a correct statement of the bill as I understand it. That is my understanding of the law. There is a special exemption for growing and harvesting of shade-grown tobacco.

Mr. HOLLAND. I thank the distinguished Senator from Texas.

Mr. COOPER. Mr. President, will the Senator yield for a moment?

Mr. HOLLAND. The Senator from Texas has the floor.

Mr. YARBOROUGH. I yield to the Senator from Kentucky.

Mr. COOPER. I ask the Senator, Does his interpretation apply only to shade-grown tobacco, or as well to other types of tobacco as well, specifically burley and dark tobacco?

Mr. YARBOROUGH. It applies specifically to shade-grown tobacco.

Mr. COOPER. I am very happy that the exemption does apply to shade-grown tobacco but will the Senator tell me what distinction is made between the exemption of shade-grown tobacco and exemptions of other types of tobacco?

Mr. YARBOROUGH. The colloquy I had with the distinguished Senator from Florida was merely to state that the Senate had not changed the House bill in that respect, or the understanding or interpretation. This provision came from the House bill, and it is a part of the present act. We merely followed the present law. This has been the law for a long time. It is printed, as a part of the present complete law, at page 61 of the report, as follows:

Any agricultural employee employed in the growing and harvesting of shade-grown tobacco who is engaged in the processing (including, but not limited to, drying, curing, fermenting, bulking, rebulking, sorting, grading, aging, and baling) of such tobacco, prior to the stemming process, for use as cigar wrapper tobacco.

That provision has existed in the law for many years.

Mr. COOPER. I thank the Senator. I do not wish to hold up the Senator from Florida.

Mr. YARBOROUGH. We did not change the existing law. This has been settled law for many years.

Mr. COOPER. I shall ask the Senator later about other types of tobacco.

Mr. YARBOROUGH. We did not disturb the existing law in that respect.

Mr. HOLLAND. Mr. President, I reaffirm the statement of the Senator from Texas that this is merely a continuation of the present provisions of the law, based, however, if I may say so, on the many detailed processing requirements in the early stages of handling of shade-grown tobacco, which are not required, for instance, for Flue-cured tobacco, which is raised in my State in far greater quantities than the shade grown. But the shade-grown tobacco requires this multiplicity of processes which are involved in the handling of the raw product.

Mr. President, I call up amendment No. 766, which I propose for myself, Mr. ELLENDER, Mr. FANNIN, Mr. PEARSON, Mr. HRUSKA, Mr. WILLIAMS of Delaware, Mr. BASS, Mr. JORDAN of North Carolina, Mr. YOUNG of North Dakota, Mr. COOPER, and Mr. RUSSELL of South Carolina.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HOLLAND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, because it is only technical. It refers to omitted portions of the bill, and I shall be glad to explain the meaning of the various points in my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment of the Senator from Florida [Mr. HOLLAND] is as follows:

AMENDMENT NO. 766

Beginning with line 14 on page 38, strike out through line 16 on page 39.

Beginning with line 9 on page 41, strike out through line 11 on page 43.

On page 43, line 12, strike out "(d)" and substitute "SEC. 203.".

On page 44, line 12, strike out "paragraph (13) (added by section 203(c) of this Act)" and substitute "paragraph (12)".

On page 44, line 14, strike out "(14)" and substitute "(13)".

On page 44, line 21, strike out "(15)" and substitute "(14)".

On page 44, line 25, strike out "(16)" and substitute "(15)".

On page 47, line 21, strike out "paragraph (16)" and insert "paragraph (15)".

On page 47, line 23, strike out "(17)" and insert "(16)".

On page 53, strike out lines 7 to 25, inclusive.

On page 54, line 3, strike out "SEC. 303" and insert "SEC. 302".

On page 54, lines 5 and 6, strike out "(other than an employee to whom subsection (a)(5) applies)".

On page 54, line 23, strike out "SEC. 304" and insert "SEC. 303".

On page 58, lines 9 and 10, strike out "subsection (a)(5) or".

On page 58, lines 16 and 17, strike out "subsection (a)(5) or".

On page 58, lines 18 and 19, strike out "subsection (a)(5) or subsection (b), as the case may be" and substitute "subsection (b)".

On page 59, line 20, strike out "SEC. 305" and insert "SEC. 304".

On page 60, line 8, strike out "SEC. 306" and insert "SEC. 305".

The PRESIDING OFFICER. The Senator from Florida has an hour and a half on the amendment. How much time does he yield himself?

Mr. HOLLAND. I yield myself 15 minutes at this time.

Mr. President, the meaning of this amendment is that it would strike out, if enacted, all portions of the pending bill which would bring agricultural producers under the provision of the Wage and Hour Act—that is, the field producers as distinguished from producers in processing plants.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from South Carolina [Mr. THURMOND] be added as one of the cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, this amendment stems not only from long practice, not only from the fact that agriculture has never been included within the provision of the Wage and Hour Act in general, but particularly from the fact that every experience that agricultural producers have had with the Department of Labor, without exception so far as I know, has been an unfortunate experience, and one which they regret, so as to make them look with apprehension upon the giving of rather plenary authority to the Department of Labor, the Secretary of Labor, and the Administrator of the Wage and Hour Act over the field employees of agriculture in all its phases.

From my own experience, I know something of these unfortunate experiences, because when the Wage and Hour Act was first enacted, I was practicing law in the State of Florida, and one of the first regulations promulgated by the Administrator was the so-called area of production regulation, which, in effect, allowed an exemption, even to the workers for cooperatives, only within a short radius around the plant where the packing was done, though it was done for the producers themselves who had produced the fruit. It happened that I brought a suit against the Department of Labor and the Wage and Hour Administrator on this matter and prevailed in the lower court, but was knocked out at the higher levels on the grounds of jurisdiction, pure and simple, requiring that the parties should come to Washington to institute suits upon such matters.

That particular regulation worked then and has continued to work grave hardships upon many of our agricultural industries in my State and in other States, so as to leave a very bad taste in the mouths of bona fide producers in my State.

The second matter of which I wish to take note is something well known to every Senator, and that is the regulations and the administration by the present Secretary of Labor on the matter of certifying the need for and the right to have brought into this country laborers from Mexico, Canada, or the British West Indies, as a supplemental labor force to be added to the domestic labor force when conditions require it, to enable the harvesting of our perishable crops. We were very greatly disappointed by the lack of understanding of this important question on the part of the Secretary of Labor and his employees. It is needless for me to cite the fact, because it is well known here, that there have been many losses sustained by reason of the very drastic administration of what should have been a mere administrative detail granted by the law to the Secretary of Labor—the mere certifying of the need for labor and the number of laborers who should be brought in.

Senators will remember that only last year, in an issue made here on the floor of the Senate, there was a tie in the votes of the Senators present on the proposal to transfer much of the authority of the Secretary of Labor in regard to this matter to the Secretary of Agriculture. That particular vote had to be decided by the Vice President casting his tie-breaking vote. That alone should show the apprehension and the lack of approval on the part of many Senators and of much of the agricultural industry, for that matter, of entrusting to the Department of Labor important jurisdiction over agriculture. Because after all, Mr. President, the problems of the industries which primarily are subject to wage and hour control differ greatly from the problems of agricultural producers, which I shall not enumerate here.

Every Senator knows what they are—the problems of weather, frost, sleet, hail, flood, drought, insect infestation, perishability of many of the crops, heavy competition from Mexico and the British West Indies as to other crops, and heavy competition from other industries in the same field.

There are so many things in which agricultural production simply is not the same as is the handling of a manufacturing enterprise under a roof or any other job of that kind, or even many white-collar jobs, which jobs have now been brought under the Wage and Hour Act.

I think it is fair to say that there is very great apprehension in the agricultural community of this Nation because

of this attempt to place the employment of agricultural personnel in a very large way under the jurisdiction of the Secretary of Labor and the Department of Labor.

Mr. President, I think another fact should make it very clear that this application is well understood, at least in some quarters. When one looks at the recommendation of the President of the United States on this subject, he will find that the President very carefully left out of his recommendation for an extension of the Wage and Hour Act any extended coverage of agricultural workers.

I think the President was much wiser in that regard than have been those who now attempt to place agricultural labor under the control of the Secretary of Labor.

Mr. President, our amendment would simply strike those provisions of the pending bill—H.R. 13712—extending minimum wage coverage to farmworkers.

We are all aware that the history of wage-hour legislation is that of progressive escalation year after year; more narrowly circumscribed exemptions; broader coverage; increased minimum wages; and reduction of overtime exemptions. Let no one be under any illusions. Once covered, agriculture will eventually go the same way and will have the same standards required of industry imposed on it. The coverage of this bill is merely a "foot in the door" approach.

I think most Senators know that is the case. If they do not realize that this is the case, they ought to read the recommendation of the Secretary's Advisory Committee on Agriculture, which Committee advises the Secretary that they think all agricultural labor ought to be placed on a labor basis that is comparable to industrial labor. On the very face of it, that recommendation ignores the important differences between agricultural and industrial labor.

Once the principle of minimum wage coverage of agriculture is accepted, there is little doubt but that it will be expanded and the minimum wage increased.

Thus, this amendment is absolutely necessary to the maintenance of a strong, productive American agriculture.

The essential point of this issue is the impact of minimum wage coverage on farmworkers and farmers. No one can seriously argue that employment is not affected by wage levels. Every employer finds that a point is reached at which additions to the work force will not return their cost at the going wage. The number of jobs in most industries, within certain limits, varies with the cost of labor inputs. We also know that capital goods are competitive with labor. The utilization of labor and capital depends on the price and availability of each. Increasing wage rates obviously enhance the incentives for substituting capital for labor.

Mr. President, the total farm population in the United States as published by the Department of Labor in January 1966, shows that in 1940 the farm population was 30.5 milion, in 1960 it was down to 15.5 milion and in 1964 it was down to 12.9 million.

In addition, from the same source, the average annual hired farm labor employment in 1940 was 2,679,000; in 1960 the average was 1,869,000; and in 1965 the average was 1,484,000.

In July 1966 the number of hired farmworkers was 13 percent below the corresponding month of 1965.

Farm wage rates, on the other hand, have shown a marked increase over the years. In 1964 the per hour rate without room and board, as reported by the Department of Agriculture, was $1.08. In 1965, it rose to $1.14. And in July 1966, it was $1.26. In Florida this year the average wage for citrus workers, our No. 1 agricultural industry, is $1.97 an hour.

The figure of $1.97 an hour is taken from a letter from Mr. Willard Wirtz, the Secretary of Labor. I shall not disclose the person to whom the letter was addressed. The letter is dated March 17, 1966.

This is what the Secretary of Labor says about the Florida citrus worker:

> Industry records show an average wage of $1.97 an hour; our own audits of citrus payrolls show a slightly higher figure. The indications are that less than 10 percent of the workers at any one time made less than the old minimum of $1.15 an hour. With the exception of one grower's payment of an additional $47 to his crew in one pay period, there has been no need for make-up pay.

That quotation is from a letter of the Secretary of Labor under date of March 17, 1966.

I think it is important also to note that most farmworkers are not regularly attached to the Nation's labor force.

According to a Department of Agriculture report, "The Hired Farm Working Force of 1964," of a total work force in that year of 3,370,000 persons, 2,293,000 or 68 percent worked less than 75 days. Only 20 percent of the total worked 150 days or more.

That report also shows that only 1,036,000 persons had farmwork as their chief activity. Of the remainder, 12 percent were engaged in nonfarm work; 3 percent were unemployed; and 54 percent were not in the labor force—this group consisting largely of women keeping house and children attending school.

These facts on the farm work force give us the necessary background to consider the issue of extending minimum wage coverage to this work force.

If there is added to the average farm wage rates, the value of perquisites furnished, most workers earn above the minimums proposed by the pending bill. However, this does not mean that a minimum wage would be unimportant in this area. On the contrary it would detrimentally affect both farmworkers and farmers.

The provisions of this bill are aimed primarily at those farmers with high seasonal labor requirements. While these producers may not need to employ many workers for most of the year, they do require intensive labor inputs at harvest.

Mr. President, here is another of the very great injustices of this bill. The bill bases its coverage of agricultural workers upon an average of seven workers employed by the farmer for one quarter in the year. If he had that average of seven workers for one quarter in the year—or about 500 man-hours of work—he would be covered for the entire year, and for all of his labor force.

That farmer would be required to keep all of the records which are required to be kept in accordance with the regulations of the Wage and Hour Division. He would be subject to investigation and inspection by the field agents of the Wage and Hour Division. He would be put to very considerable additional expense in addition to having his workers brought under the bill at a time when there are comparatively few workers engaged.

May I say, Mr. President, that because the nature of such farmwork is seasonal and temporary, farmers generally hire all available persons at harvest. They accept whatever qualifications that the employees bring to the job. And because agriculture is not susceptible to the type of work regulation that assembly line production in industry permits, farmers have a most limited opportunity to set work standards.

With the establishment of an agricultural minimum wage, the least capable of the farm work force would find jobs closed to them. For the most part, these persons are unable to find employment in other industries. Thus the chance for any type of employment would virtually be closed to them. We have already seen the extent to which farm labor has declined. This trend will certainly be accelerated if a minimum wage is applied to agricultural workers. As farmers seek to reduce their labor force and costs, the process of mechanization will surely be speeded. Mechanization and the employment of labor-saving devices generally means greater efficiency. It should be encouraged.

But to force it by creating an artificial scarcity of labor is premature and costly. Not only will such action reduce job opportunities in agriculture, but also, many small farms will be forced out of business in the process.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The 15 minutes of the Senator have expired.

Mr. HOLLAND. I yield another 10 minutes to myself, Mr. President.

Mechanization does not proceed at its own pace, independently. Although many factors are involved in capital investments, the employment of machinery is most responsive to labor availability and economic costs.

This is illustrated by a comment in the Department of Agriculture's January 10, 1966, issue of Farm Labor:

> Since the use of foreign workers has been restricted by the repeal of Public Law 78, the need for and use of mechanical harvesters have increased considerably.

Obviously, farmers invest in labor-saving equipment when it is economical for them to do so vis-a-vis labor availabilities and costs.

Contrary to the arguments of some, small farmers will not be benefited by raising farm wages. Although the case is frequently made that small farmers compete with large producers and that the income of the small farmer will be helped by establishing a minimum farm wage, the contention is fallacious.

The practical fact is that coverage of farms which meet the man-day test required in this bill—that is, the 500 man-days of work in one quarter of the year—will force smaller farms to pay the rates of their larger neighbors in order to compete for labor or else to use the least efficient workers.

This really is the way the thing will work out. The least efficient labor force will be available to the small farmer. Producers of high labor requirement crops, regardless of size, compete with each other and nearly all of them hire their harvest labor.

There will be exceptions, but as a general rule the hired labor input per unit of production on small farms engaged in producing a high labor requirement crop, such as fruits and vegetables, will usually be greater than on larger farms. The reason this is so is that the larger farmer probably has mechanized a larger portion of his total operation, and has later models and larger equipment.

Furthermore, if the upward trend in farm wage rates is accelerated, the large farmer will be the one who can purchase laborsaving equipment. The larger farmer usually has a better chance of borrowing money or otherwise acquiring the necessary capital. The crucial element, however, is that many small farmers do not have the volume of production necessary to economically spread the cost of equipment. For them the cost of equipment per unit of production is excessive.

The current outlook for farm labor indicates that during the next 2 or 3 years, farm wages will rise more rapidly than they have in recent years, employment of farm labor will decline more sharply, farmers will make heavy investments in laborsaving machinery and equipment—on a crash and, therefore, inefficient basis—marginal and/or small producers of high labor requirement crops will drop out in substantial numbers, there will be a significant migration of production and processing of such crops from the United States to Mexico, the British West Indies, and the Latin American area generally, and a corresponding decline in employment in related processing and marketing concerns.

I might add, Mr. President, that there has already been a notable increase in migration of production and in migration of processing, to Mexico, to various parts of Latin America, and to the British West Indies.

All of these trends would be accelerated by the enactment of minimum wage legislation—not primarily because of the increase in wages resulting from such action, but because of the burdensome impracticality of applying minimum wage regulations to an industry in which so much employment is irregular, casual and temporary, where there is such a wide variation in the productivity of the work force, where family employment—and payrolling—are common, and where perquisites such as housing, meals, utilities, transportation, and so forth, would have to be evaluated.

Mr. President, I believe that one of the less reasonable provisions of this bill is that requiring the Secretary of Labor to fix the value of housing, meals, utilities, transportation, and so forth—perquisites which come to the workers—to be added to the cash the worker receives, in determining what his wage was. How can either the Secretary or his field force do such a job?

In speaking of migration of production and processing from the United States to other areas, there is still another factor which certainly deserves discussion in connection with this amendment, and that is the matter of foreign competition.

On June 23, I introduced Senate Joint Resolution 171, providing for the removal of certain agricultural products from the Presidential list of items to be considered for tariff reductions under the Trade Expansion Act of 1962. At that time, I warned the Senate of what, in my opinion, were some of the more serious consequences of extending minimum wage coverage to farmworkers.

Certainly, anything that adds to the costs of American farmers will be to the advantage of their competitors. American agriculture's competition is worldwide and aggressive.

Consider just the impact of Mexican agricultural exports to the United States. U.S. imports of just fresh market fruits and vegetables rose from 5,999 car and carlot equivalents in 1955 to 21,502 in 1965—or almost 4 times as much.

The State of Florida is a major producer of citrus, strawberries, and tomatoes among other agricultural commodities. The upsurge in Mexican orange and tangerine production is illustrated by the jump in the number of trees—from 14,500,000 in Mexico in 1961 to 34,900,000 currently. Fresh tomato exports from Mexico rose to a record 265 million pounds in 1965, and all indications are that Mexican tomato exports will rise again in 1966. The trend in strawberry exports is equally alarming. Our 1965 imports of fresh strawberries were 6,442,000 pounds. Frozen strawberry imports were 53,866,000 pounds. Just 4 years ago imports of these commodities were 895,000 pounds and 32,281,000 pounds, respectively.

It might be interesting to note the minimum wages in Mexico for an 8-hour day.

For 1965–66 these are reported as $1.72 per day on the west coast of Mexico, $1.48 in Veracruz, and $1.42 in Montemorelos. Social security adds about 10 percent to these rates. Skilled wages are higher, but few are paid over $3 per day. Of course, these trends in U.S. imports will continue if costs of production in this country continue to increase. We really do neither the farmworker or the farmer any good at all if the effects of our action contributes to the deprivation of their livelihoods. Let me substantiate this by quoting three eminent economists, Prof. James Tobin, the late President Kennedy's economic adviser, Prof. Arthur Burns, former head of President Eisenhower's Council of Economic Advisers, and Prof. Gottfried Haberler of Harvard University.

Professor Tobin said:

> People who lack the capacity to earn a decent living need to be helped, but they will not be helped by minimum-wage laws, trade-union wage pressures or other devices which seek to compel employers to pay them more than their work is worth. The more likely outcome of such regulations is that the intended beneficiaries are not employed at all.

Professor Burns said:

> The broad result of the substantial increase of the minimum wage in recent years has therefore been a curtailment of job opportunities for the less skilled workers.

And Professor Haberler said:

> Raising the minimum wage would thus be an irresponsible antisocial measure, reducing job opportunities of the poor, promotion inflation and retarding growth.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. Mr. President, I yield myself 5 additional minutes.

Mr. President, we frequently hear several arguments in support of agricultural minimum wages as well as for increased minimums generally.

One of these is that purchasing power will be increased. The fact is that increases in wage rates to one group of people represent cost and price increases to others. Wage increases do not necessarily increase total demand for goods and services. They only redistribute demand. The increased contribution to total demand of those who get an increased wage is largely offset by the reduced demand of those who pay the increased price for them.

Another argument propounded by the advocates of minimum wage coverage for farmworkers, is that wage rates have lagged behind productivity in agriculture. It is true that agriculture has shown amazing gains in productivity over the years. But the greatest gains in productivity have come in those crops which lend themselves to mechanization and the use of other laborsaving devices. This improvement has been particularly noteworthy in such crops as grains, soybeans, and cotton, for example. But there remain a large number of commodities where productivity increases have been relatively small. These include citrus fruits, strawberries, most deciduous fruits, asparagus, and sugarcane. These are among those crops which require substantial amounts of hand labor. Interestingly, this bill would apply to a minimum wage to those commodities for which productivity increases are actually the smallest of any segment of American agriculture.

A third point which will be raised is that minimum wages in agriculture will tend to equalize competition between various areas and regions. This might be true, temporarily. But in the long run, farm wage rates in labor-demand States will have to be higher than in supply States. And the reason for this is simple. Workers located in the sup-

ply States must have some incentive in the demand States to attract them. So as a practical matter, to the extent that wage rates are forced upward in certain areas of the country, they also will likely be increased in the higher wage demand States. Little will be gained in those States by the passage of an agricultural minimum wage.

The effects of an agricultural minimum wage may be summarized as follows: it would force many smaller producers out of business.

Increased cost of production is forcing many small producers out year after year. I do not have to state here what every Senator knows: That that has taken place. Small producers have been literally melting from the scene.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. Mr. President, I yield 2 additional minutes to myself.

In addition, it would require some producers to shift to less labor intensive crops at a possible reduction in income to them and likely would aggravate the surplus problems of certain other crops;

It would undermine incentive methods of payment which would require growers to pay some workers more than their productivity warrants and to increase their supervision;

It would add greatly to farmers' record-keeping requirements;

It would increase competition from foreign-produced agricultural commodities; and

It would reduce employment opportunities, particularly for that portion of the work force most in need and least capable.

At a time when our economy is characterized by reduced unemployment, high prices, and a war footing, it would be folly for us to add to inflationary fires.

I for one think it highly significant that the President's message to this Congress on the wage-hour amendments did not recommend the inclusion of farm labor in the Fair Labor Standards Act. Agriculture is unique among American industries. By its very nature it does not lend itself to minimum wage legislation.

I urge the Senate to accept our amendment.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the distinguished Senator from South Carolina.

Mr. President, I yield myself such time as may be necessary for me to receive and answer the comments of the Senator from South Carolina.

Mr. THURMOND. Mr. President, I have listened very closely to the address by the able Senator from Florida, I wish to take this opportunity to commend the Senator from Florida for his penetrating and comprehensive address which he has just delivered to the Senate. I think that it is one of the finest addresses that I have heard on this subject. I wish to associate myself with the remarks of the Senator.

Mr. President, I want to say further that today the farmers are caught in a price squeeze. They have to pay more for what they buy: farm machinery, automobiles, clothing, and just about everything they buy. But they are not getting as much more in proportion. In some cases they are getting even less. This price squeeze is having very detrimental effect on the farmers of our country.

In my judgment, if we bring agricultural workers under the Fair Labor Standards Act we are going to set back agriculture, and we are going to increase the price of food to the consumer because that is bound to result. So, in the end, Mr. President, it seems to me that we are doing a great injustice to the farmers and to the public.

I sincerely hope the amendment of the distinguished Senator from Florida [Mr. HOLLAND], in which I had the pleasure to join him as cosponsor, will be adopted by the Senate.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from South Carolina for his gracious remarks.

I wish to add that every time more small farmers are knocked out of existence and every time the farm labor force is reduced—and that would be the effect of this minimum wage—you add to the horde of people pouring into the cities. I have heard our distinguished liberal friends argue to the high heaven that the real problem of this Nation is in the ghettos of the cities, and the inability of the cities to take care of the huge migration of people from the country.

What are Senators thinking of when they adopt a bill that would greatly accelerate this flow of people—unable to make a living in the country—to cities where they are not wanted and where there is no room for them?

Mr. THURMOND. I thank the Senator for what he has had to say on this subject.

Mr. PEARSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Kansas.

Mr. PEARSON. I am pleased to be a cosponsor of the amendment and wish to compliment the Senator from Florida for his comprehensive statement.

To the Senator from Florida I should like to direct this inquiry. He stated in his prepared speech that in 1938, when the measure was first passed, farmers were exempt at that time, and in the four times since that measure has been amended, the farmers have been exempt on every occasion. Is that correct?

Mr. HOLLAND. That is correct. If that was sound judgment on the part of Congress at that time—and I think it was—it is even sounder judgment now. With all the migration of production outside the country, and the migration of the processing out of the country, and all of the enlargement of our competition with farm crops with similar production elsewhere in the world, and the many other ills affecting agriculture in general, I believe that this is the worst time, since the bill has come up, for any suggestion to be made to have it extended to cover agricultural workers.

Mr. PEARSON. Let me inquire of the Senator, each time this legislation has been amended it has been for purposes of increasing minimum wages or extending its coverage; is that not correct?

Mr. HOLLAND. That is certainly true. It has come to be an almost annual acceleration. We see it in the pending bill. Two or three years ago, we passed a bill for the first time going across State lines to cover stores which limited the value of their annual business to $500,000 a year. In the pending bill, it is proposed to cut that in half and reduce the amount of business to $250,000 a year, which will greatly increase the number of employees who will be covered by this law, if it is enacted.

I call attention again to the fact that they are certainly intrastate workers rather than interstate workers.

Mr. PEARSON. Let me also inquire of the Senator if farmers now included in the bill will not, in future years, when other amendments are added to the act, also be accelerated more and more into the minimum wage, hours of labor, and so forth?

Mr. HOLLAND. I certainly do. I have already quoted in my remarks the recommendation of the so-called Advisory Council to Agriculture which serves the Secretary of Agriculture suggesting that they should be put on rates and paid a comparable rate with those now engaged in industry. This is just getting the foot in the door, or the camel's nose under the tent flaps, and everyone knows it. If we deliberately take this step, we certainly will have only ourselves to thank for what will surely follow.

Mr. PEARSON. I want to thank the Senator from Florida and ask him if he would yield me 5 minutes at this time.

Mr. HOLLAND. I want to thank the Senator from Kansas and also the Senator from South Carolina for joining me in cosponsoring the amendment. I shall be glad to yield to the Senator from Kansas, as soon as Senators who want to ask me questions on the amendment are finished.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. YOUNG of North Dakota. I, too, wish to commend the Senator from Florida for an excellent speech. I am particularly interested in the last part of his very fine address in which he stated, as I recall, that agriculture does not lend itself to this kind of wage control.

This is very true. Oftentimes a farmer has to depend on members of his family, children, older men and women to do the work, or unskilled workers in this field. One skilled person can do five times as much work as an unskilled farmworker. In order to get his crop harvested, a farmer must sometimes depend on this kind of labor. Therefore, if we increase minimum wages so high, the farmer will have no alternative but to let his crops go unharvested or force him to very uneconomic operation.

The farmer is about the only man in business who has no way of passing on the added costs of his operation to the price of his commodity.

Thus, it presents an entirely different problem from any other industry. Anyone who has had any experience with farming realizes that.

The Senator from Florida, of course, comes from a great agricultural State, a State which has to depend a great deal on farm labor, and sometimes from without the State. Some of the legislation Congress has enacted to restrict the availability of farm labor has meant that agriculture has been expanded in Mexico and other countries to the point of taking over a sizable amount of the markets in this country. If we go further and further in this direction, this will most certainly be the case. Particularly with respect to some commodities—milk, for example, the time may not be far off when milk will be sold at much higher prices and then be in short supply. It will mean much higher prices to consumers and especially of such crops as fruits and vegetables.

Mr. HOLLAND. I thank the distinguished Senator from North Dakota. I want the RECORD to show that I do not believe the farmer has any better friend in Congress than the distinguished Senator from North Dakota.

The same comments can be made about the Senator from Kansas [Mr. PEARSON], and the Senator from South Carolina [Mr. THURMOND].

The Senator from Kansas raised the question as to the progressive nature of any approach made in the bill, that we are simply going up and up. I have spoken in this Chamber of the fact that I have mentioned the recommendation from the National Agricultural Advisory Commission to the Secretary of Agriculture. I want to read this part of the resolution of that commission on this subject.

It says:

> We recommend minimum wages and improved working conditions in terms adapted to agricultural pursuits be extended by stages.

I repeat—

> . . . by stages to hired farm workers on a national basis until comparability with industrial minimums is attained.

That is the way they are going. That is the way they are heading, in the offering of the pending legislation.

I thank the Senator from Kansas for bringing up that point.

Mr. JORDAN of North Carolina. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield to the Senator from North Carolina.

Mr. JORDAN of North Carolina. I appreciate the distinguished Senator from Florida yielding to me at this point, because I cosponsored the amendment which he has offered.

Mr. HOLLAND. And I am really very happy to have the Senator as a cosponsor.

Mr. JORDAN of North Carolina. The Senator from Florida has done a magnificent job in bringing out the facts on this particular facet of the whole question.

I had the pleasure and the honor of serving on the Committee on Agriculture and Forestry with the distinguished Senator from Florida, and he knows that we all know the committee spent days and days trying to save our farmers, and trying to enact legislation to help them.

I cannot come to the floor today and vote for something which will put our farmers out of business.

Mr. HOLLAND. Yet that is what we are being asked to do.

Mr. JORDAN of North Carolina. Yes, that is what the bill would probably do.

North Carolina has a great number of small farmers. They grow a great many peaches. These are handpicked. A great many apples in the mountains are also handpicked, as well as berries in the eastern part of the State. There are also a great many strawberries grown in North Carolina, but today we are losing that market to the foreign market. We know that Mexico has taken to flying a great many strawberries into the United States, because our labor costs have risen so high that Mexican farmers can still grow them cheaper down there and yet fly them into this country.

Mr. HOLLAND. The Senator is correct.

Mr. JORDAN of North Carolina. If this situation keeps on, particularly in small crops such as those grown in Florida—celery, and that kind of produce—the foreign markets will take them over, because we cannot compete. Thus, we will be contributing to putting our farmers out of business instead of trying to help them. Cotton will take care of itself because the big machines can do it economically, as well as the wheat combines. That is not the problem, though, it is to our small farmers which we will be putting out of business. In the first place, the small farmers do not have the bookkeeping system to keep up with all these wages, in addition to the bookkeeping which social security taxes entail, and unemployment compensation. The small farmer cannot keep up with all that. He cannot survive for long.

I want to commend the Senator from Florida for the fine speech he has made and for presenting his amendment, which I wholeheartedly support.

Mr. HOLLAND. I thank my generous friend from North Carolina for his kind comments.

Mr. STENNIS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am happy to yield to the Senator from Mississippi.

Mr. STENNIS. At this point, Mr. President, I want to commend the Senator from Florida for a very fine presentation. The Senator from Florida and I have been very much interested in this problem for a long time. Few Senators understand the many facets of agriculture and its problems as well as the Senator from Florida.

Mr. President, if I might take just half a minute, the Senator from North Carolina [Mr. JORDAN] just mentioned that cotton was not a problem, that the mechanical cottonpickers can take care of cotton. By far a majority of cotton growers do not own cottonpickers and cannot gain access to mechnical cottonpickers. They will be adversely affected by the pending bill.

Would the Senator from Florida allow me 5 minutes on his time later?

Mr. HOLLAND. I will be very glad to yield to the Senator but wish first to wait until Senators have finished asking me questions.

Mr. STENNIS. I will wait until they have finished and then I should like to have 5 minutes.

Mr. JORDAN of North Carolina. Mr. President, if the Senator will yield for a correction, I thoroughly agree with the Senator from Mississippi that on the small cotton farm of 2, 3, or 4 acres, the cotton is handpicked. But the big plantations have pickers, and they will not be out of business as a result of this bill. It is the small farmer who will be.

Mr. HOLLAND. It is very clear that this bill is aimed primarily at the small people. I have said that before. It does not cover the big herdsmen throughout the country, for example.

Mr. STENNIS. The Senator is correct. Relatively few cotton growers have that kind of machinery available. No one has invented a machine to chop cotton in addition to all the other tasks necessary in growing a crop.

Mr. HOLLAND. I thank the Senator, and I now yield to the distinguished Senator from North Carolina [Mr. ERVIN].

Mr. ERVIN. Mr. President, I want to associate myself with the fine presentation and the sound position taken by the distinguished Senator from Florida. During his long service as a member of the Agriculture and Forestry Committee, he has served the American farmer well. I know of no one better versed in the problems in the field covered by the amendment he has offered, with which I associate myself.

Mr. HOLLAND. I thank my friend for his overgenerous remarks which, I am afraid, are based on friendship, but I appreciate them nevertheless.

I am glad now to yield 10 minutes to the Senator from Kentucky [Mr. COOPER], after which I shall yield to the Senator from Mississippi [Mr. STENNIS].

Mr. President, how much time do I have left?

The PRESIDING OFFICER. Forty-four minutes of the time allotted to the Senator from Florida remain.

Mr. HOLLAND. I yield 10 minutes to the Senator from Kentucky [Mr. COOPER]. After that I shall yield 5 minutes to the Senator from Mississippi [Mr. STENNIS].

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 10 minutes.

Mr. COOPER. Mr. President, I rise to speak in support of the amendment which has been offered by the distinguished Senator from Florida, of which I am a cosponsor. It is fine that he has offered the amendment. He has served for years as an outstanding member of the Committee on Agriculture and Forestry and also on the Agriculture Subcommittee of the Committee on Appropriations. Having the opportunity to serve with him on the Committee on Agriculture and Forestry, I know his wide knowledge of agriculture and its problems.

The bill before us, would, in various sections, for the first time bring agricultural workers under the coverage of the Fair Labor Standards Act. Our amendment would strike these sections of the bill and maintain the existing exemption of agricultural workers.

Those of us who come from agricultural States know that the characteristics of employment upon farms differ sharply from those who work in industry, work in service establishments, and employment in retail stores and businesses of our communities. This is so obvious and apparent that it seems needless to speak of it.

Those who work in such business enterprises go to work and cease work at stated times. Their schedules of work continue in good and bad weather and their hours of work can be determined.

But those of us who live in the rural areas of our country, and many of us do—so does the distinguished Senator from Texas [Mr. YARBOROUGH], who manages this bill—know that these characteristics do not apply to the farms of our country. There is no set time for going to work or ceasing work except as the necessity of the farm requires. Men and women may go to work before daylight and work long hours after daylight. At other times, because of weather, they may work just a few hours in a day. The work may be seasonal. One farmer may employ 5 farmworkers or 25 at certain times in the crop year, but when the season is past he may need no one except his own family, or perhaps someone to help him with certain chores now and then.

The Department of Labor—and I say the Department of Labor—for as the Senator from Florida [Mr. HOLLAND] has said this is a Department of Labor bill—is attempting to legislate in the field of agriculture. The difficulty of the Department of Labor in finding a standard of uniformity for farms, by which to bring them under the Wage and Hour Act, simply establishes that the standards which apply to certain businesses do not apply to farms.

Today, under the law, retail businesses are exempted if the volume of sales is under $1 million. The bill before us would reduce that standard to $250,000. Whatever the type of business, large or small, if it attains a certain dollar volume of sales, its employees are covered under the Fair Labor Standards Act.

There is uniformity between business establishments. But you cannot secure such a standard of uniformity between farms. The Department of Labor attempts to set as a uniform standard the use by an employer of 500 man-days of labor in a quarter in the preceding calendar year. In such a case, the employees of the farmer would be covered for minimum wages.

So, if our amendment is not adopted, farms whose sales are less than $250,000 annually and much less might be covered, while other businesses whose sales were less than $250,000 would not be covered. This is unfair.

It is estimated 500 man-days of work in a quarter would mean that on the average only farms employing seven or more workers would be affected. But this would not always be so, for the farm is treated as if it were a business where people work 5 days a week, and as if nothing is done on the farm on Saturday and Sunday. The cows are not milked, the chickens fed, the crops are not tended. And what about dairy farms, where work continues 7 days a week? The truth is that these new sections of the bill would cover some farms employing fewer than seven employees.

There is another section in the bill that I do not believe has been mentioned on the floor, and I now refer to it. What is a man-day? In one section the criterion of coverage is stated to be an aggregate of 500 man-days in any one calendar quarter. In another section of the bill, section 103(u), a man-day is defined as any day during any portion of which an employee performs any agricultural labor.

I am sure the manager will agree with me, as I propose a theoretical case, which might not occur but could occur. If for 3 months there were to be a drought, or floods, or continuing rains, and if a 7-man force came to the farm for work everyday, and stayed an hour in the morning, worked an hour, and then went their way, at the end of 3 months, if they had, as a group, worked 500 hours, it would be counted as 500 man-days under the act, and the farm employer and his employees would then come under the coverage of the act.

This illustrates the vagueness and the unfairness of the standard. It shows that the Department of Labor is attempting to apply to farm operators the same standards that it applies to business, although they are entirely different.

I will ask the Senator from Texas if it is not correct that the definition of a man-day is any part of a day actually worked?

Mr. YARBOROUGH. That is correct. If a man came to the field and worked only a half-hour, he would be considered as having worked that day. If he worked 18 hours a day, he would still be considered as having worked 1 day. So if a man works 13, 14, 15, or 16 hours—and I have worked in the wheat harvest that much or longer—it is still counted as 1 man-day. This provision was drawn up to favor the farmers, and not to favor the employees.

Mr. COOPER. If a man employs someone to do his chores for a few hours every day, that also is a man-day, is it not?

Mr. YARBOROUGH. Yes, if he works as a hired employee for part of a day. That is to keep the employer and employee from having to keep a timeclock or a bunch of records.

Mr. COOPER. Then would not the Senator agree that the proposition, spelled out in the report and speeches, that it would only affect the farmer who employed, on the average, seven or more employees, is not an absolute figure?

Mr. YARBOROUGH. I think that is correct. To me it is inconceivable that a farmer would hire somebody to come and feed his hogs in the morning, somebody else at noon, and someone else in the afternoon, and be willing to say, "I have had 3 full days of employees." Conceivably, he could have a man for an hour each day, and seven men per day, but I never saw a farmer like that.

Mr. COOPER. If a farmer had a seasonal crop, he might have 15 or 20 employees for a short period, but the rest of the year, if he employed only 1 or 2 he would still come under the provision?

Mr. YARBOROUGH. No; this is by quarters.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COOPER. Will the Senator yield 2 more minutes?

Mr. HOLLAND. I yield 2 additional minutes to the distinguished Senator from Kentucky.

Mr. COOPER. Mr. President, I wish there were time to discuss at greater length the unfair provisions and effect of this new amendment. A uniform standard is impossible for farms.

The prices which farmers receive for their production in relationship to parity is lower than at any time before World War II. We want farm labor to be paid fairly, and wages for farm labor have advanced, and on many farms, houses and gardens are available to labor. But a farmer with low prices can only pay what his produce can bear.

He will be forced to go out of business or, if he is able to do so, mechanize his farm. This bill will drive away from the farm the young, the old, and the unskilled, and they will march toward the cities, where there are too many unskilled and untrained people today.

I have supported minimum wage bills. I have supported organized labor in their worthy objectives. But we know that this is a movement toward, finally, the organization of farm labor over this country. This, for the Department of Labor, is a back-door way of doing it.

I should like to see some people in this country remain free from the conformity which is enveloping our country. The farmer has been an individualist. He has been a refreshing figure in our country. But we seem to drive always further and further toward conformity. I hope very much that our amendment will be adopted, and the present exemption from agriculture will be maintained.

Mr. PEARSON. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. Mr. President, I have agreed to yield 5 minutes to the Senator from Mississippi [Mr. STENNIS], after which I shall be happy to yield 5 minutes to the distinguished Senator from Kansas.

Mr. STENNIS. I thank the Senator.

Mr. President, speaking primarily to Senators who are not familiar with farming operations and the actual problem the farmer is up against, I point out, first, that the farmer sells only the raw product, usually—the raw product, where the profit is never large. The profit comes in the processing, all the additions and refinements, the retailing, and the things that go on after the farmer has relinquished his crop. All he receives comes from the initial sale of the raw product.

The next thing I wish to point out, Mr. President, is that there is a tremendous difference in the productive or yield capacity of different types of land. We are legislating here for the very poor land; it may be poor, but it is all the people who depend on it for a living have. A farmer's land may be medium productive, or it might be of higher fertility, or of the highest; but the poor land is bound by this law, just the same as all the rest.

Further the farmer also has to carry the burden of seasonal fluctuations. In an industry, if the owner puts a certain amount of material into a machine, he knows about what will come out of it. A farmer never knows, when he plants, what the season is going to mean to him, or what the yield will be, or whether there will be any yield.

Another thing—and we might as well admit it—is the fact that we are talking about, generally speaking, with all deference to them, a poorer type of worker. His production per hour is lower, and generally he has less ability and less judgment.

So, by enacting this legislation, we would be piling one burden and one uncertainty on top of another. The farmer is called on to carry all the load. Mention has been made here of the cotton farmers. Mr. President, only a very small percentage of the people who live on the land and produce cotton have mechanical cotton pickers, or have access to mechanical cotton pickers. The picking must be done by hand. There are many other things about a cotton crop that have to be done by hand, or largely by hand, like cleaning out the grass, and the thinning out of the cotton, or chopping it, as it is called. We are getting right down to the hub of things, where these matters count, and poor land or medium land cannot carry the load that we would be imposing by this bill.

I refer to my home community where we had many small farmers when I was a small boy.

There was a day when that was a very happy, thriving, industrious community. Everybody worked. A man's word was his bond. Everybody paid his debts, and almost everybody went to church. There might have been poverty, according to present standards as we have heard them stated recently, but we did not know it; and we were not expecting anything from a Government program.

Now that situation has changed, of course, and the very ones who are now preaching about the sin of poverty are, or a great many of them, supporting this bill, which would create the very conditions about which they complain. Because if the freight is more than the traffic will bear, we are going to destroy the employer, and we will leave the employee who is willing to work without a job.

Nothing could be more serious. No legislation will come before the Senate this year that is of any more serious consequence to these little people than this very measure we are talking about here, which will finish crushing the little life remaining in the small farm, and then, as those people drift to the cities, we will hear complaints from the very groups some of whom are sponsoring this bill about the overburdened condition of the cities, because they have to take care also of the people who are coming in from the farm.

Mr. President, where are we going? We are going in opposite directions on this bill, and I hope there will be enough Senators who will realize that fact, who will face the realities of life and will vote to let the exemptions, as they apply under present law, continue to apply.

I thank the Senator for yielding.

Mr. HOLLAND. Mr. President, I thank the Senator for his remarks. I am happy, now, to yield 5 minutes to the distinguished Senator from Kansas [Mr. PEARSON].

Mr. PEARSON. Mr. President, I think the Senator from Mississippi makes an excellent statement, and I also wish to say that I think the Senator from Kentucky raised a very important point, that you cannot compute hours worked on the farm the same way you compute them in a factory or a store or some other place.

Indeed, the committee recognized that. On page 10, the committee report states:

> The committee exempted from the agricultural coverage provision of the bill 10,000 employees who are principally engaged in the range production of livestock.

The committee says these are peculiar circumstances that cause this exemption, and the reason for it, as stated in the very next paragraph on page 10, is that these employees in the range production of livestock are quite often on a standby basis, waiting for the time and the need to arise when they must work.

The Senator from Kentucky makes the very same point, with great validity, in regard to farmworkers. Mr. President, I know that the manager of the bill will indicate to us that this provision will have an effect only on the large producer. Five hundred man-hours in any given quarter will automatically make this bill apply to any particular farmer in the following calendar year.

A retail merchant who may have more than 7 people working for him—he may have 15, 16, or 17—and who does less than $250,000 gross business during a year will be exempt. However, the farmer with 7 employees and 500 man-hours per day would fall under the coverage of the act for the entire year.

The point will be made that this legislation is only for the large producers, and that might be so to a large extent. However, the small producer, when he goes into the market for farm labor, will compete with the large producer. He is not going to hire employees unless he meets the minimum requirement, and so we might as well put them all under this provision.

I think the history of farming operations will show that, where the cost increases and the price-cost squeeze gets tighter and tighter, the first step of the farm producer is to mechanize and go to equipment and industrialize as much as he can.

If he does this under the minimum wage requirements, this will be another step to push the family farmer off the farm, as the Senator from Florida illustrated so vividly in his statement.

I think also, as has been pointed out, the bill provides in 1967 for $1 an hour, in 1968 for $1.15 an hour, and in 1969, for $1.30 an hour. Every time the minimum wage is modified, it will require a greater minimum wage increase—justified, I am sure, in many industries.

The wages and hours covered under the bill since 1938 have a good and valid purpose.

There will also be an increase, and the net result will be to place the family farmer in precisely the same position as the great producer in regard to dipping into the labor market.

For whatever validity the American farm has on the scene today, the pending bill is a blow against that institution of American life. I would hope that indeed the manager of the bill would make some statement regarding the range cattle-raisers and the farmers I have mentioned here today.

Mr. HOLLAND. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Florida has 22 minutes remaining.

Mr. HOLLAND. Mr. President, I thank the Chair. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. YARBOROUGH. Mr. President, I think the issue is very clearly drawn here.

It is a matter of preserving the family farmer in America. If we want to preserve the family farmer in America, we will vote against this amendment.

The purpose of minimum wage legislation is partly to protect these low paid people and partly to protect the family farmer in America.

We have 3.5 million farms remaining in our country today. Two million of those farms do not hire even one farm laborer. The pending bill covers only 1.6 percent of the farm operators in America. It covers the big industrialized farms with hundreds of employees.

The bill is a bill to try to save the family farmer so that the man will not be driven off the farm and into the city and into economic oblivion.

I have received a letter from the National Farmers Union. For those Senators who do not know it, the National Farmers Union does not represent nonfarmowners. It is a union of farmowners. I have been to their conventions. The National Farmers Union is composed of farmowners.

The National Farmers Union, in a letter under date of August 22, 1966, have this to say:

> The family farmer asks you to protect his farm income by voting for a minimum wage for farm labor.
>
> The National Farmers Union, through convention action, strongly supports the minimum wage bill and its provision for a minimum wage for farm labor as protection for income for the family farmer.
>
> No longer should the family farmer be forced to compete with 60 cents an hour labor during the spring and summer and then as a taxpayer be asked to support the same farm laborers and their families during

the winter months through welfare payments.

The big operators hire them for harvest, kick them back to the city after the harvest is completed, and let the family farmers pay higher taxes with which to pay the welfare payments during the winter to keep the farm laborers alive so that the big operators may get those farm laborers back and work them again the next spring.

This bill will separate the people in Congress who are willing to save the family farmers. That is the biggest issue in the bill—whether we are going to protect the family farmer and give him support.

Texas has over 300,000 family farms—more than any other State in the Union. Corporate agriculture has not taken over in Texas, as it has in some other States. We are still the stronghold of the family farmer, with nearly 400,000 REA users, more than any other State in the Union.

I continue to read from the letter from the National Farmers Union:

> This bill will cover farm laborers working on fewer than 2 percent of the Nation's farms, fewer than 78,000 farms.

Actually, the bill covers only 1.6 percent of the farms in the Nation, but those 1.6 percent employ 390,000 underpaid farmworkers; 70 percent of hired farmworkers earned less than $1.25 an hour; 50 percent earned less than $1 an hour; and 34 percent earned less than 75 cents an hour.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield on the time of the Senator, not on my time.

Mr. HOLLAND. Mr. President, I will take time on the bill. I ask the distinguished Senator from Texas if the Secretary of Agriculture was asked to testify and did testify on this bill. I find no record of it in the transcript of the hearings.

Mr. YARBOROUGH. I am advised that the Secretary of Agriculture did not testify.

Mr. HOLLAND. I wonder if the distinguished Senator would tell me why the Secretary of Agriculture, representing the farming community, was not asked to testify and did not testify on the bill.

Mr. YARBOROUGH. Mr. President, the distinguished chairman of the Committee on Labor and Public Welfare at that time, the subcommittee thereof, was the Honorable Pat McNamara, of Michigan, who has since passed away with a malignancy.

I cannot answer the question. Two volumes of testimony were taken while Senator McNamara was chairman. One volume of testimony was taken in Puerto Rico under the chairmanship of a special subcommittee. Another volume was taken by the Migratory Labor Subcommittee of the Committee on Labor and Public Welfare. That hearing was presided over by another Senator.

Hearings were held for over 2 years. I was not chairman of the Labor Subcommittee at that time. I am not informed as to the answer to the question. The administration was asked for its views and the administration designated the Secretary of Labor to present the views of the administration.

Mr. HOLLAND. The fact is that, in the taking of testimony for 2 years, the Secretary of Agriculture was not asked to testify and did not testify at the hearings.

Mr. YARBOROUGH. Mr. President, the Senator from New Jersey [Mr. WILLIAMS], who was chairman of the Migratory Labor Subcommittee that held one part of the hearings, advises me that the Secretary of Agriculture was invited to testify. The executive department reached the decision that the Labor Department should present the administration views. However, the Secretary of Agriculture was invited to testify, I have been informed by the Senator who presided over about one-fourth of the hearings.

Mr. HOLLAND. Mr. President, do I correctly understand that the decision was made by the administration that, not the Secretary of Agriculture, but the Secretary of Labor should speak for the administration on the bill?

Mr. YARBOROUGH. I do not say that it was the decision of the Secretary of Agriculture. It was the decision of the administration. It was an administration decision to have one spokesman. The statistics are being kept in the Labor Department. The Secretary of Labor was selected to represent the administration. I assume that he represented the whole administration, unless the contrary is shown.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. PASTORE. Mr. President, do I correctly understand the Senator from Texas to say that the pending bill does not cover more than 2 percent of the farms in America?

Mr. YARBOROUGH. It covers less than 2 percent. The bill does not apply to 98.4 percent of the farms of America.

A farmer must have seven workers on a farm in order to be covered.

Mr. PASTORE. All we are concerned with in this measure is 1.6 percent of the farms?

Mr. YARBOROUGH. One and six-tenths percent of the farms, and 39 percent of the workers, because the 1.6 percent of the farms are the big ones which hire 39 percent of all farm labor in America. Of the 3.5 million farms in America, 2 million farms do not hire even one man on the farm.

Mr. PASTORE. The Senator from Texas has answered my question.

Mr. YARBOROUGH. I thank the distinguished Senator from Rhode Island for his very perceptive question.

I am continuing now with this letter from the president of the National Farmers Union to me, dated August 22 of this year:

> These giant farms generally have paid the lowest wages.

There has been talk about wages becoming high. The little family farmer is going out of business. He would be ashamed to pay some of the wages the big corporate types of enterprises pay.

I wish to say, Mr. President, representing the largest State in farm acreage in the Union, that I have no prejudice against the big farms. That was shown when the distinguished Senator from Maryland this year offered his amendment to limit the price crop support payments based on the size of the farm. He would deny the big farms the right to grow those crops. I have always voted for price supports, to keep a viable and prosperous agriculture. I have voted to let them have all their payments. I have voted against any limitation. But when the farmer draws the big price crop support, he should not be paying the lowest farm wages in the Nation.

This is what the National Farmers Union, representing the family farmers of America, says:

> Only those corporate type and very large farms employing more than eight full-time farm workers, or equivalent, will be covered. It will not include those farmers hiring a number of local housewives and high school students to pick crops at harvest time for a week or two.
>
> This is a bare bones bill as far as farm labor minimum wage is concerned. We urge the adoption of H.R. 13712 as it stands, by the Congress.

Signed, Tony T. Dechant.

Mr. GORE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. GORE. That bare bones description would hardly fit the exemption of the large King Ranch.

Mr. YARBOROUGH. I voted against that amendment. The committee did adopt an amendment to exempt the range production cattle, and it gives those cattle raisers an advantage over a stock farmer who has a little farm and is raising a few head of stock on his farm. I do not know whether there any range production in Tennessee or not.

Mr. GORE. What is the economic difference in producing a calf on an acre that is called a ranch in Texas and on an acre that is called a farm in Tennessee?

Mr. YARBOROUGH. The Senator will have to refer to the people who supported that amendment, in order to get an answer. I opposed the amendment. I did not favor it.

I think there is an old song in Oklahoma, "The Farmer and the Rancher Should Be Friends." If we pass a farm labor bill exempting ranchers but including farmers, I do not think it will foster friendship.

Mr. GORE. Will the Senator accept an amendment to equalize the situation?

Mr. YARBOROUGH. That is not the question immediately before us. I do not know what my authority would be in that respect, the committee having voted.

With respect to the pending amendment, there has been talk about labor unions attempting to take over farmers. Most of the appeals I have had in this matter have been from labor. The appeals have come from people interested in the welfare of human beings. I have telegrams and letters from various social organizations and religious organizations.

I have a letter from the National Council of the Churches of Christ in the

U.S.A., dated August 18, signed by their Southwestern field representative. In this letter they say:

I urge your support for any additional legislation to bring farm labor under the protective legislation accorded other employees in our Nation.

I continue to be appalled at the lack of concern of many Members of Congress who would continue to cripple and slowly murder the majority of our seasonal agricultural workers, and their families, when these workers have enabled us in so many ways as a nation to have an abundance and prosperity denied the agricultural worker segment of our economy. The shame of this situation is known throughout the world as testimony of our lack of concern for the farm laborer and his family regardless of race or cultural heritage.

It has been said that this legislation would raise the prices to people who buy things. The National Consumers League, writing to me on August 22, said:

We also believe that it is unconscionable to guarantee only 75 cents an hour for farm workers, which is what would be the pay for a large number, if employers are permitted to adjust their wage scales to provide a $1.00 average hourly wage, rather than a flat $1.00 minimum for all workers.

The economy of our country has surely reached the point where such discrimination against our shamefully exploited farm workers is inexcusable. No war against poverty has any real meaning when a government sanctions a wage so far beneath the poverty level for a significant section of our working population.

The League hopes you will support the modest proposals of the original bill as passed by the House, rather than the provisions of the bill reported by the Senate Committee.

Mr. President, the fact is that this bill—I hate to confess this, but I am forced to, as chairman of the subcommittee—was emasculated in the Committee on Labor and Public Welfare when that committee exempted the range production of cattle and put an average in the bill as a minimum wage instead of a dollar as a minimum wage.

These are protests from people who are concerned about people as human beings.

I have a letter dated August 23, from the General Board of Christian Social Concerns of the Methodist Church:

We urge your support for strengthening provisions of S. 1986, minimum wage bill. Omission of child labor ban would represent legislative irresponsibility; 75¢ an hour minimum for farm workers is indefensibly low.

We have telegrams from the Christian Social Relations Womans Division Board of Missions of the Methodist Church, the administrative director of the Latin American Bureau of the National Catholic Welfare Council.

We have a letter from the National Advisory Committee on Farm Labor, headed by Frank P. Graham, of North Carolina, and A. Philip Randolph, as committee chairman. They urge that this bill be brought back up to the House level, at least. They point out that the $40 a week minimum wage under the average provisions that were put in the Senate amendment becomes $30 a week:

It is thus with great urgency that we ask you to examine this new bill. Assessing forty hours of hard manual labor at thirty dollars a week in 1966 is bad enough. To ask a man to support a wife and child on it is an insult to his right to live with dignity.

We are hopeful that changes will be made from the floor to correct this impossible situation. We respectfully ask you to lend your support to the original bill as passed by the House.

The $30 voted by the committee is indefensible, to say the least. The Senate should add more and return to the House level.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. COOPER. It is important to have an interpretation of certain sections of the bill. I ask the Senator to turn to page 38, section 103, which defines "employee."

Mr. YARBOROUGH. Does the Senator from Kentucky yield himself time?

Mr. COOPER. I do not know how much time I shall need.

Mr. YARBOROUGH. I will yield to the Senator from Kentucky from my time.

Mr. COOPER. I thank the Senator. I should like to describe a situation which, I believe, is familiar in agriculture—the practice of sharecropping. I know it is customary in my State, and I am sure it is true in other States, for farmowners, or perhaps lessees, to enter into contracts with farmers to share crops. Perhaps the owner of the farm will furnish land, and a house, might furnish seed, and perhaps furnish fertilizer, depending upon the agreement that is made. At the close of the crop year, when the crop has been harvested and sold, the owner and the sharecropper will share the proceeds, usually half and half.

Would the employees of the sharecropper be considered employees under the bill, and would the farmowner be liable to pay the minimum wage to the employees of the sharecropper?

Mr. YARBOROUGH. In the many days that the bill was considered by the Subcommittee on Labor and by the full committee, the question arose time after time: When is a sharecropper an independent contractor, and when is he an employee of the landowner who rents the land? That question was debated at length. In order that there may be no doubt, the committee spelled out its intent, at pages 10 and 11 of the report, beginning with the last paragraph on page 10:

During the consideration of agricultural labor coverage, the committee discussed the issue of who is an employee of the farmer and how to determine whether a person is an independent contractor. Section 3 of the act defines the terms "employ," "employee," and "employer." It is also clear that if a person is an independent contractor and not an employee of the agricultural employer, neither the independent contractor nor his employees would be employees of such employer. Nor could the man-days worked of such employees be counted toward such agricultural employer.

In other words, if the renter, the person who rents the farm from the owner, is an independent contractor, the employees are his own employees, and not those of the owner of the land who rents it to him.

Mr. COOPER. In any case, would it be possible, on any farm, under any contract made by a farmowner or a lessee with a sharecropper, for the employees of the sharecropper to claim that in addition to their share of the proceeds of the crop, the farm owner owed them more, because of the minimum wage provisions added by this bill?

Mr. YARBOROUGH. No; not under this provision. I had not completed reading the report:

However, such independent contractor may well qualify as an agricultural employer and be subject to the coverage of the act unless otherwise exempted. This same issue was raised during the House debate with regard to the status of certain share croppers and tenant farmers. The same tests apply as stated in the House report.

The Supreme Court (in *Rutherford Food Corp.* v. *McComb*, 331 U.S. 722 (1947)) has made it clear that there is no single rule or test for determining whether an individual is an employee or an independent contractor, but that the "total situation controls." In general an employee, as distinguished from a person who is engaged in a business of his own, is one who "follows the usual path of an employee" and is dependent on the business which he serves. As an aid in assessing the total situation, the Court mentioned some of the characteristics of the two classifications which should be considered. Among those are—

(1) The extent to which the services rendered are an integral part of the principal's business;

(2) The permanency of the relationship;

(3) The opportunities for profit or loss;

(4) The initiative, judgment, or foresight exercised by the one who performs the services;

(5) The amount of investments; and

(6) The degree of control which the principal has in the situation.

The committee fully subscribes to these criteria and to the principle that the total situation in a given case, not just a particular criterion, must be considered in determining whether an individual is an employee or an independent contractor.

Mr. COOPER. Would it be necessary to prove in every case that the sharecropper, even though he has his share of the proceeds, was an independent contractor?

Mr. YARBOROUGH. If the renter or tenant came in and claimed he was an independent employee, yes, the Department of Labor would have to determine whether or not he was. Of course, these tests would apply.

In the section of the country from which I come, and in which I grew up, when you finished plowing ground that is called laying by. The worker would then go to work for other people. This was customary in our part of the country, whether the worker went and cut crossties, did other work, or went to town. That could be the case of the big operator who farmed out his employees and said, "You are my tenant." But in the average relationship there would not be any question. The tenant bosses his own time.

Mr. COOPER. The Senator knows farming.

Mr. YARBOROUGH. I do know farming.

Mr. COOPER. I would suggest this case to the Senator. After the crop has been—as the Senator said—"laid by,"

and later sold, the sharecropper's share of the proceeds would be $5,000. He receives $5,000. Could he or his employees come back and say, "I worked a sufficient number of hours to receive $6,000"? Could he do that?

Mr. YARBOROUGH. He could not, if he was not an employee. He could bring the claim, but he could not recover.

Mr. COOPER. Suppose, after they make this contract, such as I have described, that the tobacco is put in the barn. But before it is sold, the tobacco unfortunately burns. Could the sharecropper come in then and say, "I want $5,000, or $1,000 for the labor I put in"?

Mr. YARBOROUGH. It would be the total situation in a given case.

Mr. COOPER. Does the Senator agree that in the background of sharecropping or renting contracts, as I have described, it is the kind of agreement where the employees of the sharecropper would not be employees of the farm owner, in the sense of coverage for minimum wages?

Mr. YARBOROUGH. Not under the sharecropping arrangements that prevailed where I grew up in Texas. There are two types. Three and four were the customary types where the tenant furnished himself with tools, horses, mules, tractors, food, and the landowner got one-fourth of the cotton which was crop and a third of the cotton for rent.

In the other situation, he furnished the horses, mules, tractors, wagons and food and shared 50–50. That type of contract has gone out of existence, notably after the campaign of Farmer Jim, who said that this was an unconscionable contract. The Supreme Court held that it was unconstitutional. That type of 50–50 arrangement was deeply imbedded in the hearts and minds of the people in Texas, but that type of contract is practically gone.

Mr. COOPER. We have that type in my State, usually called renters.

Mr. YARBOROUGH. That is called the "furnishing" contract.

Mr. COOPER. As I understand the Senator, in the cases I have given, it would be the judgment of the Senator that the employees of the renter or sharecropper would not be employees of the farmowner for coverage designated under this bill.

Mr. YARBOROUGH. The farmowner would not be.

Mr. President, how much time do I have remaining? There are other Senators who wish to speak in opposition.

Mr. COOPER. I shall ask one question.

The PRESIDING OFFICER. There are 66 minutes remaining on the amendment.

Mr. COOPER. This will take 1 minute.

I am not trying to make a special case, but would the exemption given in subsection (3) on page 39 apply to any employer who was principally engaged in the production of livestock on any farm of any size?

Mr. YARBOROUGH. This is tied to the employee:

> Any individual who is employed by an employer engaged in agriculture if such individual is principally engaged in the range production of livestock.

Not the employer, but the employee.

Mr. COOPER. Would that include employees on any type farm where they were engaged principally in the production of livestock without regard to the size of the farm or the number of livestock?

Mr. YARBOROUGH. This is range production of livestock.

Mr. COOPER. What does that mean?

Mr. YARBOROUGH. Feed production would not be range production of livestock. There are stock farms where they raise all the food on the farms, and feed cows and steers.

Mr. COOPER. Is there any limit on the number of head?

Mr. YARBOROUGH. It was written into the bill with regard to range production. There was a great deal of discussion.

Mr. COOPER. There are farmers in my State whose principal production is livestock. Would they be exempt?

Mr. YARBOROUGH. This was adopted in committee. It was discussed a great deal. This language was agreed to as the committee language. Beyond that, I am not prepared to attempt to interpret it.

Mr. COOPER. We know that an interpretation of the bill must be made by the Senator in charge of the bill. Thus, we are relying upon the Senator from Texas to interpret this section for us.

Mr. YARBOROUGH. Other language was in there. The language was limited to range production.

Mr. COOPER. I should like to have my State receive the same protection, if it is given to another State.

Mr. YARBOROUGH. The committee exempted from the agricultural coverage provisions of the bill 10,000 employees principally working on range production and livestock. That is not a large number of people exempted. I think it could cover only those working in range production. The committee intended to adopt exemption for an employee principally engaged in range production of livestock. The committee intends to exempt only those employees engaged in activities which require constant attendance on a standby basis, such as herding and similar activities where the computation of hours of work would be very difficult.

Mr. COOPER. It is likely to reach the largest ranches in the country; is it not?

Mr. YARBOROUGH. Yes; it is.

Mr. COOPER. I do not believe that is a very elevated social object. Does the Senator?

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. FANNIN. Let me say to the Senator from Kentucky that the intent of this particular amendment is restrictive. It would not apply only to large ranches; it could also apply to small ranches in the West which have large acreages—perhaps several hundred or several thousand acres and a few head of stock. Perhaps there may be 25 or more acres to 1 head of stock. Thus, the amendment is not intended to apply to feed lots or to any area where the stock involved would be near headquarters. In other words, employees might be away from headquarters for weeks at a time, on the range.

A good illustration would be the Basque sheepherders who are brought to this country from Spain. They are away from headquarters for long periods of time, herding sheep. It is impractical for them to keep time or to control their hours of work. They may be in sleeping bags at night, and they may have to get up in the middle of the night because of predatory animals attacking the sheep; then they would go out to work again. Of course, that is not the common kind of farmwork in this country, such as the work in Kentucky, for example. They could be on vast ranches, but not necessarily so. This could also occur on the small ranches.

Mr. YARBOROUGH. Mr. President, there are other Senators who desire to speak in opposition to the amendment. I have been yielding so much time to answer questions on this subject. I have no desire to cut anyone off, of course, but time is sliding by. I hope that Senators would ask for time to speak in opposition to the amendment.

Mr. BASS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. Mr. President, I yield 2 minutes to the distinguished Senator from Tennessee [Mr. BASS].

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 2 minutes.

Mr. BASS. Mr. President, no Member of this body has ever supported minimum wage legislation more strongly than I have.

In my experience, both in the House of Representatives and as a Senator, I have always felt that every American should receive a fair day's pay for a fair day's work.

I have supported increases in minimum wages, first from 75 cents to a dollar, then from $1 to $1.25, and now from $1.25 to $1.60 an hour.

However, I do not believe, in all good conscience, and with all the information that I possess, both from a study of the situation and from personal experience in my State, that the farm people of this Nation are ready for a minimum wage law. It might come to them in the foreseeable future, when farm conditions would be changed so that they could meet the requirements of being included in a minimum wage law. However, at this time, I know that the farm people in my area are not in a position to afford the minimum wage requirements.

Therefore, I have cosponsored with my distinguished friend, the Senator from Florida [Mr. HOLLAND], the amendment, an amendment to exclude farm labor from the provisions of this act.

I certainly hope that the Senate, in its wisdom, will not, at this time, impose even the small amount of farm labor under the provisions of this act.

Mr. President, according to the statistics I possess, they show that only 249 farmers in Tennessee would be included. However, I believe that if even this small number were to be included, it would

have an adverse effect on the rest of farm labor in my State and would eventually set a precedent and criteria in this area.

I am of the opinion that it would work great hardship on the small farmer who now has to depend on a certain amount of labor in order to obtain production on his farm.

I certainly hope that the Holland amendment will be approved to exclude farmers from the provisions of this bill.

However, I want it clearly understood that I am supporting the major part of this legislation which would bring about an increase in the minimum wage for industrial and interstate workers.

Mr. YARBOROUGH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. YARBOROUGH. How much time do I have left in opposition to the amendment?

The PRESIDING OFFICER. Fifty-nine minutes remain to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized for 4 minutes.

Mr. YARBOROUGH. Mr. President, we have discussed the number of farms in America; namely, 3,490,000. Since the hearing, we have been asking the Department of Labor for the number of workers on the farms and the number of farms with 500 man-days which hire enough workers to have 500 man-days and thus come under the provisions of the pending bill.

Out of the 4,490,000 farmers in America, only 33,000 farms would be covered by the bill. But, of the 1,445,000 hired workers, 430,000 would come under the provisions of the bill.

That brings it to one and a fraction percent of the farms which would come under the provisions of the bill—between a third and one-fourth of the workers; in other words, such big operations that they are in effect factory operations.

The table I hold in my hand just came from the Department of Labor today. They have been continually working on it because the committee asked them to have this information updated.

Mr. President, I ask unanimous consent to have this table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated number of farms and hired farm workers by farms meeting specified hired farm labor use tests, 1965

Man-days of hired labor used in peak quarter:

	Farms	*Hired workers*
Total	3,490,000	1,445,000
Number man-days of hired workers	2,946,000	----------
With man-days of hired workers	544,000	1,015,000
With 500 man-days of hired workers	33,000	430,000

Mr. YARBOROUGH. Mr. President, I repeat, that of the total number of farms, a majority hire no additional help. They are true family farms.

In the interests of saving time, I shall not read all the communications from the different organizations in America who seek to better the condition of our farmworkers, but I do wish to point out some data in the report of the committee, on the bottom of page 19:

A 1965 survey of 1.4 million hired farmworkers indicated that 70 percent earned less than $1.25 an hour; 50 percent earned less than $1 an hour; and 34 percent earned less than 75 cents an hour. Average hourly earnings in agriculture were $1.01 an hour on July 1, 1966, in the United States. In some States the average falls below 60 cents an hour and there are reports of wages of 30 cents an hour.

Mr. President, I suggest the absence of a quorum and ask the time be charged to time on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, I yield the distinguished senior Senator from New York 5 minutes in opposition to the amendment of the distinguished senior Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from New York.

AGRICULTURAL MINIMUM WAGE

Mr. JAVITS. Mr. President, I am a city boy, as everybody knows. Having been here a considerable time, by now they know it. I am inspired to speak at this time because only a few days ago a farm boy by the name of ED MUSKIE made one of the most eloquent speeches describing the problems of the cities that I have ever heard. So if a farm boy can speak about cities, perhaps I can say something about the problems of farms.

I would like to say a word about the minimum wage law as I see it looking at it from our point of view, in the hope that we would bring into consideration some other factors than those that may have been already mentioned.

To me the most important aspect of this move, which is an enormous reform, lies in the fact that we want to keep them down on the farm, and not have them forced to go up to the cities. We believe that this bill will make the farm more attractive, that it will make the farmers better able to compete, rather than less able, because right now the whole wage standard, as we see it in the figures, taken across the board in the country, represents a low standard as compared with what is paid in the cities. The farm area has been indicated as an empty place and withdrawn from recreational areas, as compared with places where there are things to do and which are great places in which to live. Why not make these rural places areas of opportunity?

The most important aspect of this report is the survey which is found on page 19 of the report, which, incidentally, is a magnificent document, and I should like to compliment the staff for it.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. YARBOROUGH. I should like to join the distinguished senior Senator from New York in complimenting and commending the staff on this most significant report. I think it has some of the most complete information I have ever seen with respect to a bill in my experience in the Senate. It is invaluable to an understanding of the bill. I wish to commend Mr. John Bruff, and others who have worked in getting the report ready. We are grateful to them and to the whole staff of the committee, not only the staff of the Labor Subcommittee, but the other members of the staff. We had a leader of the minority staff helping.

Mr. President, I yield myself this time in addition to the 5 minutes I had yielded to the Senator from New York.

The PRESIDING OFFICER. How much additional time does the Senator yield to the Senator from New York?

Mr. YARBOROUGH. I yield the distinguished Senator from New York 5 additional minutes.

Mr. JAVITS. As we look at the report, we see that of the 1.5 million farmworkers 34 percent earned less than 75 cents an hour in 1965. Fifty percent earned less than $1 an hour. The average hourly earnings of agricultural workers as of July 1, 1966, was $1.01 in the United States.

Is it not clear that, if there is anything that would drive people with any kind of enterprise from the farm, it would be the paucity of earnings on the farm?

As has been made very clear here, every effort has been made, and indeed overmade, to exempt the family farms where coverage is not necessary to their social viability and which can last without regard to the minimum wage.

As to the reward to which agriculture is entitled, I point out that here again the report is most illuminating, for it shows that the rate of productivity, the output per man hour in agriculture, has increased a little more than twice as much as it has in nonagricultural industry. Productivity in agriculture was 2.7 times as great in 1964 as in 1947, whereas in nonagricultural industry it was 1.6 times as great. So on the basis of productivity, there is more than ample justification for the basic wage of the farmworker to go up.

Mr. President, we are deeply concerned about the tremendous migrations to the cities. My city of New York, which is the largest in the country, has changed demographically in an extraordinary, almost a revolutionary way in the last 20 years, with a great outflow of population of middle income and high earnings, and a great inflow of population of low income and low earnings.

Mr. President, I am the son of an immigrant family, too, and this does not scare me at all. When my parents came

to this country, they could not read and write. They earned practically nothing, and they almost starved to death, but somehow they made it. The big city gave them their opportunity.

Mr. President, I believe that the great masses of people who come into the cities will be absorbed. We will find ways, through all the things we are doing and all the things we will do, to do it. This country is not going to fail.

But, Mr. President, it is also important that our population be balanced out. In an era of tremendous transportation advances, where a family can go from almost any farm in the country for an evening in the city, to see the movies, and then go home at night, there is no need for these population pressures. But they remain, because of the lack of economic opportunity. Therefore, Mr. President, it seems to me there is an excellent reason, sociologically and socially, in terms of the national interest, for at least buttressing the basic economy of the farmworker so as to give him some inducement, if he likes the life—and it is a magnificent life, as things are organized and available today—to make a life on the farm.

There is much complaint—and I understand with great justice—about the paucity of farm labor. In a free economic enterprise society, Mr. President, how do you attract farm labor, by paying them less or by paying them more?

When you pierce through the perfectly understandable folklore of the farm, the fact that it is the good life, with good, stout, rugged people, who are rugged individualists in free enterprise, and you break through to the fact that people on farms are really being shockingly underpaid, and an effort is made here to do some buttressing in that regard, I think you come to a real understanding of why this is essential, and as much in the great interests of the farm area as of the city area. Mr. President, I think these are very important questions. I think we have to raise our sights somewhat.

There is one final point that I wish to make. The idea that the resources of the United States—in terms of character, background, vitality, integrity, and the other fine qualities of individualism—are found only on the farms still persists. And therefore the idea persists that we must preserve the family type farm—that no matter how uneconomical it may be, no matter how depressing to the people who are in it themselves, in economic, educational, and social terms, it must be preserved, because this is the great stronghold of high character for America. With all respect to those who make such assertions—and I yield to no one in my love and respect for the farm family that wants to stay there and make the farm its life—that is not going to make this country. Not when the farmers are only 20 percent of the population, and getting down toward 16 percent, according to the latest figures, on the farm, and about 80 percent, within a very few years, are in the city, There must be some recognition of the fact that economics on the farm has a very great analogy to economics in the city, and that farm workers also, as well as the workers in the city, are entitled to some very basic concrete floor under them, in economic terms, which they ought to have fully and equally with the workers in the city, in order really to make the farm stand up and compete. That is essentially the reason that we have lifted the minimum wage level for workers in the city and in nonfarm occupations.

So, Mr. President, looking at this, as I repeat, as a city boy—and I heard, as I said, the magnificent speech of Senator MUSKIE, the country boy talking about the city—it seems to me that what is begun in this piece of legislation is something which is critically essential to putting the farm economy upon a ratable basis with the city economy, to attract people to stay with it instead of leaving it, to enable people effectively to compete, and thereby to buttress their strength and the possibilities, in sound terms rather than unsound terms. I urge exactly the reverse of many of the things which I have heard argued against this provision. I think those very arguments speak very strongly for this provision, in terms of what can be achieved through this beginning—and it is only a beginning—which is represented in this provision for agricultural labor. I believe in it, Mr. President. I supported it strongly in the committee. I do not pretend to be an expert on farm life at all, and I state very frankly that my qualifications are in totally different fields.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. JAVITS. Will the Senator yield me 2 additional minutes?

Mr. YARBOROUGH. I yield 2 additional minutes to the Senator from New York.

Mr. JAVITS. But I state my conclusions as a person looking at this, perhaps, from another vantage point, submitting it to my fellow Senators, so many of whom have had very different experience from mine, as another point of view looking at the very same problem and coming to a very different conclusion as to the impact and the implications of what is here sought to be begun.

Mr. YARBOROUGH. Mr. President, I yield to the distinguished Senator from Washington for submission of conference reports.

ESTABLISHMENT OF SAN JUAN ISLAND NATIONAL HISTORICAL PARK, WASH.

Mr. JACKSON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 489.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 489) to authorize the establishment of the San Juan Island National Historical Park in the State of Washington, and for other purposes, which was to strike out all after the enacting clause and insert:

That the Secretary of the Interior is authorized to acquire on behalf of the United States by donation, purchase with donated or appropriated funds, or by exchange, lands, interests in lands, and such other property on San Juan Island, Puget Sound, State of Washington, as the Secretary may deem necessary for the purpose of interpreting and preserving the sites of the American and English camps on the islands, and of commemorating the historic events that occurred from 1853 to 1871 on the island in connection with the final settlement of the Oregon Territory boundary dispute, including the so-called Pig War of 1859. Lands or interests therein owned by the State of Washington or a political subdivision thereof may be acquired only by donation.

SEC. 2. The property acquired under the provisions of the first section of this Act shall be known as the San Juan Island National Historical Park and shall commemorate the final settlement by arbitration of the Oregon boundary dispute and the peaceful relationship which has existed between the United States and Canada for generations. The Secretary of the Interior shall administer, protect, and develop such park in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), as amended, and supplemented, and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461 et seq.).

SEC. 3. The Secretary of the Interior may enter into cooperative agreements with the State of Washington, political subdivisions thereof, corporations, associations, or individuals, for the preservation of nationally significant historic sites and structures and for the interpretation of significant events which occurred on San Juan Island, in Puget Sound, and on the nearby mainland, and he may erect and maintain tablets or markers at appropriate sites in accordance with the provisions of the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461 et seq.).

SEC. 4. There are hereby authorized to be appropriated such sums, but not more than $3,542,000 for the acquisition of lands and interests therein and for the development of the San Juan National Historical Park.

Mr. JACKSON. Mr. President, I strongly urge that the Senate act favorably upon S. 489. This measure, as amended by the House of Representatives, authorizes the establishment of the San Juan Island National Historical Park on San Juan Island in the State of Washington.

This proposed park will be an invaluable addition to our Nation's growing park system. It will provide the people of this country with a unique recreational experience combining the incomparable beauty of scenic San Juan Island with the great historical significance of the British-American confrontation known as the "Pig War."

In a time marked by strife and international tension, it is appropriate to recall the events leading up to the "Pig War" and how this dispute was peacefully resolved.

The Oregon Treaty of June 15, 1846, settled part of the international boundary between the United States and Canada. Unfortunately, this treaty left uncertain the status of several islands, the most important of which was San Juan, lying between the continental United States and Vancouver Island.

During the years 1853 to 1859, there were various disputes between the American and British citizens who had settled on the island. In 1859, a hog owned by an Englishman strayed into a potato patch belonging to an American. The

owner of the potato patch, incensed at this aggressive act, shot the offending animal.

This casualty caused relations between the Americans and English on the island to deteriorate rapidly and soon armed forces from both nations were brought to the scene. Fortunately, calm leadership on both sides prevented the outbreak of armed conflict.

In 1871, the Treaty of Washington referred the issue to the German Emperor for arbitration and he ultimately ruled in favor of the United States. In accordance with the decision, the British troops immediately withdrew from the island, and for the first time in the history of the United States, our Nation had no boundary dispute with Great Britain. In assessing the Treaty of Washington, historian Thomas A. Bailey, stated that * * * "it was the greatest triumph for arbitral methods that the world has yet witnessed."

I would like to footnote this historical discussion by pointing out that the Advisory Board on National Parks, Historic Sites, Buildings and Monuments, recommended that a national historical park be established to commemorate and illustrate this phase of American history.

Mr. President, the House amended the bill, as passed by the Senate. The principal House amendments provide: First, any land within the park which is owned by the State of Washington may be acquired only by donation; and, second, the amount authorized to be appropriated for land acquisition and development shall be increased from $1,650,000 to $3,542,000 in order to reconcile the authorized appropriation with up-to-date cost estimates which were not available at the time the bill was introduced.

Mr. President, I move that the Senate concur in the amendments of the House and that the bill, as amended, do pass.

The motion was agreed to.

MANSON UNIT, CHELAN DIVISION, CHIEF JOSEPH DAM PROJECT, WASHINGTON

Mr. JACKSON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 490.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 490) to authorize the Secretary of the Interior to construct, operate, and maintain the Manson unit, Chelan division, Chief Joseph Dam project, Washington, and for other purposes, which was, to strike out all after the enacting clause and insert:

That, for the purposes of supplying irrigation water for approximately five thousand eight hundred acres of land, undertaking the rehabilitation and betterment of works serving a major portion of these lands, conservation and development of fish and wildlife resources, and enhancement of recreation opportunities, the Secretary of the Interior is authorized to construct, operate, and maintain the Manson unit, Chelan division, Chief Joseph Dam project, Washington, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal works of the unit shall consist of dams and related works for enlargement of Antilon Lake storage, related canals, conduits, and distribution systems, and works incidental to the rehabilitation of the existing irrigation system.

SEC. 2. Irrigation repayment contracts shall provide for repayment of the obligation assumed thereunder with respect to any contract unit over a period of not more than fifty years exclusive of any development period authorized by law. Construction costs allocated to irrigation beyond the ability of the irrigators to repay during the repayment period shall be returned to the reclamation fund within said repayment period from revenues derived by the Secretary from the disposition of power marketed through the Bonneville Power Administration. The term "construction costs", as used herein, shall include any irrigation operation, maintenance, and replacement costs during the development period which the Secretary finds it proper to fund because they are beyond the ability of the irrigators to pay during that period. Power and energy required for irrigation water pumping for the Manson unit shall be made available by the Secretary from the Federal Columbia River power system at charges determined by the Secretary.

SEC. 3. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Manson unit shall be in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 4. For a period of ten years from the date of enactment of this Act, no water shall be delivered to any water user on the Manson unit, Chelan division, for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 5. There are hereby authorized to be appropriated for construction of the new works involved in the Manson unit, $13,344,000 (April 1965 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes and, in addition thereto, such sums as may be required to operate and maintain said unit.

Mr. JACKSON. Senate bill 490, authorizing construction of the Manson Unit Chelan Division of the Chief Joseph Dam project, was introduced by Senator MAGNUSON and me and passed the Senate last year. The House amended the bill in certain respects and returned it to the Senate. Following my remarks I intend to ask that the Senate concur in the House amendments.

The Manson Unit consists of about 5,800 acres of apple-producing land located along the north shore of beautiful Lake Chelan in the central part of the State of Washington. This area produces very high quality Delicious apples chiefly because of favorable climate and topography. These apples consistently command premium prices in the market as a result of the high demand for them, and the irrigation works authorized will not serve the production of any crops in surplus supply.

The Manson Unit will rehabilitate and enlarge an existing water collection and distribution system which is old and in bad condition and subject to frequent failures. This work is quite important since a major failure of these facilities during the growing season could result not only in the loss of a crop of apples but also of orchards which have been under development for a long time. This will be an exceptionally sound Federal reclamation investment as it has the extremely high benefit-cost ratio of 6.0 to 1.

The major change made by the House in S. 490 is in section 2 under which financial assistance will be provided to the irrigators from power revenues of the Federal Columbia River power system, rather than only from the Chief Joseph Dam. This is in accordance with the present practice whereby Federal power costs and revenues in the Columbia Basin are pooled, and is consistent with and will be subject to the guidelines adopted as part of the amendments to the act authorizing the Third Powerplant at Grand Coulee Dam. This is the so-called "basin account" approach.

The appropriation authorization has been increased from the 1959 estimated cost of $12,400,000 to $13,344,000, to more nearly reflect current prices.

Mr. President, I move that the Senate concur in the amendments of the House and that the bill as amended be passed.

The motion was agreed to.

INVESTIGATIONS OF CERTAIN WATER RESOURCE DEVELOPMENT PROPOSALS—CONFERENCE REPORT

Mr. JACKSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3034) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource development proposals. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Aug. 24, 1966, CONGRESSIONAL RECORD, pp. 20373–20376.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JACKSON. Mr. President, the conference report on S. 3034 now before us is a highly constructive measure of far-reaching importance to the Nation. Under it Congress will be fulfilling its responsibility to establish policy with respect to vital water resource developments and to the exercise of legislative oversight over the execution of these policies.

The Senate will recall that section 8 of Public Law 89–72, approved July 9, 1965, provides that—I quote:

Effective on and after July 1, 1966, neither the Secretary of the Interior nor any bureau nor any person acting under his authority shall engage in the preparation of any feasi-

bility report under reclamation law with respect to any water resource project unless the preparation of such feasibility report has been specifically authorized by law, any other provision to the contrary notwithstanding.

This section had been written into S. 1229, by an amendment I sponsored. S. 1229 became Public Law 89–72.

Pursuant to that requirement of law and at the request of the Interior Committee, the Secretary of the Interior submitted draft legislation, which, as chairman of the Committee on Interior and Insular Affairs, I introduced as S. 3034. This measure set forth proposals for feasibility investigations of specific water resource projects. A companion bill, H.R. 13419, was sponsored in the other body by the chairman of the House Committee on Interior and Insular Affairs, Representative WAYNE ASPINALL.

Both committees held hearings on their bills and both made substantial amendments. S. 3034 passed the Senate on July 12 with the committee amendments. The House substituted the language of its bill for that of the Senate, and passed the amended measure on July 18.

The conferees met twice and the report before us today represents a better measure, I am convinced, than the version of S. 3034 passed by either House. Major policy provisions inserted by both Houses are retained in substance and are refined and made more explicit. I call the attention of the Senate to the explanation made by Chairman ASPINALL on the floor of the House upon moving acceptance of the conference report on August 24.

I believe it desirable to add a further explanation and statement of legislative intent with respect to section 6 of the conference report, the substance of which was section 5 of S. 3034 as it was approved by the Senate. This section was not in the draft legislation as submitted by the Department of the Interior, but was added as an amendment which I sponsored.

The Senate will recall that Public Law 89–448 authorized a third powerplant at Grand Coulee Dam. It also established a form of basin account for the Pacific Northwest. The Secretary of the Interior must maintain and present annually to the President and the Congress a consolidated system repayment study for all the projects in the Federal Columbia River Power System. Costs of reclamation projects in the Pacific Northwest which have no power generating facilities are included in the study to the extent that such costs have been assigned, pursuant to law, for repayment out of power revenues. At reclamation projects in the Pacific Northwest hereafter authorized, the portion of the construction costs which, though allocated to irrigation, is beyond the ability of the irrigators to repay within the repayment period prescribed by law for that project—and cannot be returned within the same period from other project sources of revenue—will be repaid from power revenues of the Federal Columbia River Power System unless otherwise provided by law.

On two previous occasions this year I have reviewed at some length the basic problem presented by a basin account. Water users are no longer able to repay the full costs of most of the worthy but undeveloped reclamation projects in the Pacific Northwest. These projects should be built as we continue the development of our region and country. They are sound and will contribute to our economic advancement. Yet if part of the irrigation costs of these projects is paid by power users, the total obligation the power users must pay is increased. At some point the burden on the power users becomes unfair. Financial assistance from power to irrigation therefore unavoidably involves a careful weighing of equities between power users and water users.

I previously summarized this dilemma and suggested a solution as follows:

> And so we have the fundamental problem of the basin account: How can we reconcile the partly conflicting, but partly complementary, interests of the power consumers and the irrigators in the Pacific Northwest?
>
> The problem then is to develop ground rules to protect the legitimate interests of both the power users and the water users, keeping in mind the overall public interest of the Pacific Northwest and the Nation. It is my view that reasonable limitations on the amount or timing of assistance to irrigation are required. Such a limitation is necessary to assure that financial assistance to irrigation will not cause an increase in power rates.

Section 5 of S. 3034, as it was passed by the Senate, provided the reasonable limitations I referred to. Its primary goal was to compel the scheduling of new reclamation projects in the Pacific Northwest so that the total amount of financial assistance from power to irrigation for presently and newly authorized reclamation projects, as well as for those now existing, will not cause an increase in the rates of the Federal Columbia River Power System. In addition, such assistance is to be paid only from the net revenues of that system.

The conference committee did not change those criteria and made no substantive change in section 5 of S. 3034 as passed by the Senate. The committee rewrote the second sentence of subsection (b) of section 5, not to achieve a different result but to eliminate language which it considered unnecessary. The stricken language was a statement of what is expected to occur under procedures which are already being followed. The Federal Columbia River Power System, like Federal power systems in other river basins, presently schedules repayment of the non-interest-bearing obligation to assist irrigation projects as late as possible in, and usually in the last year of, the period provided by or pursuant to law for the repayment of that assistance. No change in that procedure is intended or required. While Public Law 89–448 prescribes a repayment period for assistance from power to irrigation at reclamation projects in the Pacific Northwest which are authorized after the enactment of that act it makes no change in the period or periods for the repayment of such assistance at reclamation projects in the Pacific Northwest which were authorized prior to the enactment of Public Law 89–448, and none is made by S. 3034.

A legislative prohibition against any newly authorized project receiving financial assistance prior to 2026 was unnecessary for two reasons. The first sentence of subsection (b) of section 5 required that such a project be so scheduled that the total of the assistance to that project and to all other projects then receiving financial assistance would not have caused an increase in Bonneville's rates. The payout study which Bonneville filed last year with the Federal Power Commission in connection with its application for approval of its proposed rates, and also filed with the Irrigation and Reclamation Subcommittee of the House Committee on Interior and Insular Affairs in the hearings on H.R. 7046, discloses that the critical year is 2024. That is the year in which the difference between the actual unamortized investment and the allowable unamortized investment will be the smallest. Any new reclamation project or projects which would require financial assistance in or prior to 2024 in a total amount in excess of that difference could not meet the requirement in the first sentence of subsection (b). The project or projects could not be built until a later date because the total assistance from power to irrigation would require an increase in power rates to cover the deficit which, under those assumptions, would occur in 2024.

The second, and completely independent, reason is that it would be next to impossible for a new large reclamation project to require financial assistance before 2026. Water users ordinarily have a period of 60 years—a 10-year developmental period plus a 50-year repayment period—to repay their share of the costs allocated to irrigation. Under Public Law 89–448 the same repayment period is available for the financial assistance from power to irrigation. The 60-year repayment period does not begin to run until water is available on the first unit of a new project. But a project authorized today could not begin to receive water for at least several years. The construction period alone would take that much time. Thus the earliest date that financial assistance would be required for a project authorized today would probably be between 2030 and 2035. Moreover, the 60-year period runs separately for the assistance for each block of land in the project. The requirement for assistance for a large project such as the Columbia Basin project accordingly would be spread out over a period of 25 to 50 years, depending on the length of the construction period. The assistance for our hypothetical project authorized today would be repaid over a period of 25 to 50 years, beginning sometime between 2030 and 2035. For both legal and practical reasons the language in subsection (b) was stricken as unnecessary.

Under the formula approved by the conference committee in the present section 6 of the bill $600 million will be available for irrigation assistance in any 20-year period. This figure raises no

problem during the period, approximately 60 years, for the repayment of the power investment at existing and authorized projects. Six hundred million dollars is approximately double the amount of irrigation assistance scheduled for repayment during that period. With respect to assistance falling due thereafter, that figure will permit not only an orderly but an accelerated reclamation development. The $600 million relates only to assistance from power to irrigation. But there must also be considered the project costs to be repaid by the irrigators and by municipal and industrial water supply users as well as the costs allocated to other purposes of which pollution, flood control, recreation, and fish and wildlife are examples. Six hundred million dollars of assistance from power to irrigation permits reclamation projects with a construction cost of at least $1 billion and probably closer to $2 billion to be built in a 20-year period. This would require annual appropriations of from $50 to $100 million for reclamation projects in the Pacific Northwest. Historically, actual appropriations have been considerably less than that amount. The formula should advance—not retard—a sound reclamation program.

The 20-year-period limitation is the same as the language passed by the Senate, except that the starting date of 2026 has been eliminated. As indicated in Senate Report 1368, the limitation is applicable to rolling 20-year periods—for example, 2000–2020, 2001–2021, and so forth—and not to block periods—2000–2020, 2021–2041, and so forth. But, it is now applicable to any period of 20 consecutive years, including years before 2026. Accordingly, assistance for existing projects, which presently is scheduled before 2026, must be taken into consideration, whereas, under the bill as passed by the Senate assistance for existing projects was taken into account only to the extent it was scheduled in or after 2026.

The remaining changes in subsection (b) are purely editorial. They are not intended to make, and do not make, any substantive change in the subsection as it was passed by the Senate.

As Chairman ASPINALL told the House at the time it adopted the conference report, the provision now in the bill assures that "financial assistance for reclamation projects, both existing and future, will not cause increases in power rates of the Bonneville Power Administration."

Mr. President, section 6 of S. 3034 as it comes before the Senate today is the culmination of the ideas and efforts of a great many people—people dedicated to the welfare of the Pacific Northwest and the Nation. They are to be congratulated for working out this solution. The conference committee believes that the section is equitable and strikes a proper balance between the power users and the water users—a balance that is fair to both.

Mr. President, it gives me great pleasure to urge the Senate to adopt the report of the conference committee.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. JACKSON. Mr. President, I ask unanimous consent that the statement of the managers on the part of the House, an excerpt from the conference report (No. 1865), be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill, S. 3034, to authorize the Secretary of the Interior to enagage in feasibility investigations for certain water resource development proposals, submit this statement in explanation of the effect of the language agreed upon and recommended in the accompanying conference report. All the significant differences between the language agreed upon and the language of the House amendment are explained hereafter.

Bill form

This legislation to authorize the Secretary of the Interior to engage in feasibility investigations was submitted by the administration with the feasibility investigations divided into three categories. The investigations listed in section 1 are those which have been completed or substantially completed. Substantially all of the Bureau's ongoing program for feasibility investigations is included in section 2. These investigations are in various stages of completion. The investigations listed in section 3 are recommended new feasibility investigations.

As submitted by the administration, section 3 was further broken down between those feasibility investigations scheduled for initiation in fiscal year 1967 and those scheduled for initiation after fiscal year 1967. In the Senate-passed bill, these two categories of section 3 were combined and no distinction made between investigations scheduled for initiation in fiscal year 1967 and those scheduled for initiation thereafter. The conference committee agreed upon the Senate change in form, and the conference report combines all new feasibility investigations without regard to when they are scheduled to be initiated. In connection with this action, however, the conference committee requests the Secretary of the Interior to advise both the Senate and House Committees on Interior and Insular Affairs which of these investigations will be initiated in fiscal year 1967 and, hereafter, to report to such committees, prior to the beginning of each fiscal year, on the feasibility investigations to be initiated in the upcoming fiscal year, keeping the committees fully informed with respect to any changes that are made subsequent to such reports.

Feasibility investigations added and deleted

This legislation was introduced in the form recommended by the administration and, therefore, the Senate and the House considered identical bills. Both bodies added and deleted certain proposed project investigations.

In section 1, the House deleted the third powerplant at Grand Coulee Dam in Washington on the basis of the committee's understanding that no additional studies would be needed, and the Mountain Park project in Oklahoma because of a water supply problem. The Senate deleted the Devils Canyon project in Alaska. The conference committee agreed to retain the third powerplant at Grand Coulee Dam and leave out the Mountain Park and Devils Canyon projects. Thus, as compared with the House amendment, the conference report adds the third powerplant at Grand Coulee Dam and deletes the Devils Canyon project.

In section 2, the House added the Pleasant Oaks and the Allen Camp units of the Central Valley project in California and deleted the Retrop project in Oklahoma because of a water supply problem. On the basis that the feasibility studies of the Pleasant Oaks and Allen Camp units are already underway and substantially completed, the conference committee agreed to retain these investigations in the legislation. The Retrop project was left out pending resolution of the water supply problem. Thus, with respect to section 2, the conference report is identical to the House amendment.

In section 3, the House added five project investigations in Utah, the Morongo-Yucca-upper Coachella Valley project and the Little Rock Dam and Reservoir project in California, and the Marais des Cygnes River Basin project in Kansas. The Senate added the Bruneau division of the southwest Idaho water development project in Idaho, the Hardin unit of the Missouri River Basin project in Montana, and the Nelson Buck unit of the Missouri River Basin project in Kansas. Both bodies added the Oroville-Tonasket unit of the Chief Joseph Dam project in Washington, the Price River project in Utah, and the Grass Rope and Fort Thompson units of the Missouri River Basin project.

After consideration of the status of planning on the projects added by the two bodies, the conference committee agreed to retain the Morango-Yucca-upper Coachella Valley project, the Bruneau division, and the Hardin and Nelson Buck units, and to take out the five Utah projects and the Marais des Cygnes River Basin project in Kansas. The status of planning on the projects left out indicates that they are not ready for the initiation of the feasibility investigations. They can be reconsidered in a year or two when the next bill to authorize feasibility investigations is before the Congress.

The projects which both bodies added, of course, were retained in the conference report.

To summarize the conference committee action on section 3, the conference report includes three project investigations not in the House amendment, and does not include seven project investigations that were in the House amendment.

Project information to be furnished the committees

The House amendment includes a new section 4 (not in the Senate-passed bill) which requires that the feasibility studies for those project proposals which have been determined to be feasible must be submitted to the Committees on Interior and Insular Affairs in the Senate and the House of Representatives within 1 year after completion of the final feasibility plan. Along with the feasibility study and report on any project proposal, the Secretary must also submit the results of all studies he has made for accomplishing the project objectives in total or in part. The date of completion of the final feasibility plan for a project is considered to be the date when the Secretary approves the feasibility report. The studies and information on the project proposal and on the alternatives are expected to supply sufficient information for the committees in the Congress to make intelligent and informed decisions with respect to the project plan to be authorized. In respect to both the project proposal and the alternatives, the Secretary must furnish to the committees all the detailed information developed during the studies.

The conference committee agreed to retain this section in the legislation but adopted minor language changes to make it clear

that the language of this section is not intended to require the Secretary or the Bureau of Reclamation to study project alternatives in more detail than is required under present policies and procedures. In other words, the language of this section is not intended to be the basis for increasing the cost of project investigations. On the other hand, the language is intended to require the Secretary of the Interior to furnish the committees all of the information which is developed in connection with project investigations, including information on all of the alternatives studied, in order that the committees and the Congress may judge whether, considering all relevant factors, the best plan of development has been recommended.

Feasibility studies with donated funds

Section 5 of the House amendment was a provision authorizing the Secretary to conduct feasibility studies on any project proposals when and to the extent that the costs of such studies are advanced by non-Federal sources. The purpose of this provision was to encourage financial participation by States and local interests in these investigations. The language in the Senate-passed bill (sec. 4) permitted feasibility studies to be accelerated with funds advanced by non-Federal sources, but provided that such studies could not be initiated without specific congressional authorization. The conference committee, agreeing that all feasibility investigations should be specifically authorized even though conducted with donated funds, adopted the Senate language.

Amendment to the Grand Coulee Dam Act

The Senate-passed bill included a new section (not in the House amendment) which amended the authorizing act of the third powerplant at Grand Coulee Dam (sec. 6 of the conference report). That act establishes a form of basin account for the Pacific Northwest and provides for financial assistance from the Federal Columbia River power system to reclamation projects in the Pacific Northwest that are hereafter authorized.

The purpose of the proposed amendment to the Grand Coulee Dam Act is to specify the conditions under which such financial assistance may be given and to place a limitation upon the amount of such assistance. The language of a new subsection 2(b) provides that reclamation projects hereafter authorized in the Pacific Northwest must be scheduled in such a manner that the required financial assistance for those projects, together with financial assistance for previously authorized projects, will not cause increases in the power rates of the Bonneville Power Administration. With respect to the limitation on the total amount of assistance to irrigation for both existing and new projects, such amount cannot exceed an average of $30 million annually in any period of 20 consecutive years. The financial assistance must come from "net revenues" as defined in the language of this new subsection.

The language of a new subsection 2(c) provides for a periodic review by the Secretary of the Interior of the adequacy of the amount authorized for irrigation assistance and recommendation by the Secretary to the Congress for any changes that may be needed in the limitation on irrigation assistance.

The conference committee has made certain editorial changes in the language of the new subsection 2(b) of the amendment to the Grand Coulee Dam Act as included in the Senate-passed bill, and it also has revised the second sentence of that new subsection to read:

"It is further declared to be the policy of the Congress that the total assistance to all irrigation projects, both existing and future, in the Pacific Northwest shall not average more than $30,000,000 annually in any period of twenty consecutive years."

The remainder of the second sentence has been stricken as unnecessary since it states the expected results of procedures presently followed. It is not the conference committee's intention to change the Federal Columbia River power system repayment policies and procedures adopted by the Secretary of the Interior in April 1963 and set forth in the hearings on H.R. 7406 before the Subcommittee on Irrigation and Reclamation of the House Committee on Interior and Insular Affairs, September 9 and 10, 1965.

Nothing in this new subsection 2(b) is intended to expand or to limit present Bonneville Power Administration authority to purchase or exchange power.

The conference committee approved, without change, the language of the new subsection 2(c) of the proposed amendment to the Grand Coulee Dam Act.

The amendment to the Grand Coulee Dam Act set out in section 6 of the conference report is not concurred in by Mr. SAYLOR and his signature on the conference report and on this statement of the House conferees indicates his approval only of the remainder of the legislation.

WAYNE N. ASPINALL,
WALTER ROGERS,
LEO W. O'BRIEN,
JOHN P. SAYLOR,
CRAIG HOSMER,
Managers on the Part of the House.

FAIR LABOR STANDARDS AMENDMENTS OF 1966

The Senate resumed the consideration of the bill (H.R. 13712) to amend the Fair Labor Standards Act of 1938 to extend its protection to additional employees, to raise the minimum wage, and for other purposes.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the names of the Senator from Mississippi [Mr. STENNIS] and the Senator from North Carolina [Mr. ERVIN] be added as cosponsors of the amendment now pending.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. I yield 3 minutes to the distinguished Senator from Mississippi [Mr. EASTLAND].

Mr. EASTLAND. Mr. President, the Senator from New York complains about people moving from the farms to the cities. This bill will not be a cure for that. This bill would cause wide unemployment; it would cause thousands of people to move from the farms to the urban areas of this country.

No industry can pay more for labor than the price of its product justifies; and this bill will cause wide unemployment. Let me give an illustration of one small industry, to show what, in my opinion, we will see in the next few years happen time and time again.

During World War II, we were shut off from China. China, when our fleet was sunk at Pearl Harbor, was the source of our entire tung oil supply.

During the world war, tung oil carried one of the highest naval priorities. The U.S. Government spent millions of dollars in Florida, south Georgia, south Alabama, south Mississippi, south Louisiana, and south Texas promoting the tung oil industry. It was necessary for the defense of our country.

The entire industry is promoted by the Government. The industry depends upon hand labor. There is no machine that will harvest the nut. Old men and women and retired people go out with a blanket or a sack and harvest them by hand. The trees must be sprayed by hand.

What would the pending bill do? The bill will absolutely and utterly destroy that industry. No man can pay more in wages than the price of his product justifies.

Our Government, in encouraging this industry, has put a 24-cent-a-pound support price on tung oil. The product is necessary and essential for the defense of our country.

That industry will now be absolutely and utterly destroyed under the provisions of the pending bill.

The point I make is that this, in my judgment, will happen in hundreds of cases in the United States. We cannot give some little dictator in the Labor Department, under the influence of the CIO or some other organization, the power to destroy basic industry in this country. I think that is the issue in this case.

We are interfering with economic law. Here is an industry that is going to be destroyed. I could name others. We will see it happen hundreds of times in this country.

Mark my prediction, we will fill the cities with unemployed.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator.

I yield to the manager of the bill.

Mr. YARBOROUGH. Mr. President, I yield 5 minutes to the distinguished senior Senator from Tennessee.

Mr. GORE. Mr. President, I have thought a good deal about this proposition. Heretofore, I have opposed the inclusion of agricultural labor in the minimum wage program. I would now oppose a general coverage of farmers, but I have decided to support the provisions of the bill provided we can strike out this exemption for range farming—which I think we can do.

Let me be explicit. This is a beginning, but I think it is a beginning that the more affluent of our agricultural economy can take. Let me explain why.

For example, as has been pointed out here, it applies to, I believe, only 249 farms in Tennessee, a State of 4 million people.

The senior Senator from Tennessee happens to be one of those farmers to whom it would apply.

The provisions in the bill are very minimal, very generous to the larger farms: first, there is no overtime requirement; second, the wage begins at $1 an hour—not $1.40; and third, as a part of farm wages, a reasonable valuation of the house that most farmers furnish to their farm help can be counted, as can the garden privileges and the keeping of a milk cow which many farm families wish to do. These many privileges and economic opportunities which farmowners afford to their tenants or to their farm employees are quite valuable.

Many people ignore that fact in making snide remarks about the low-income farmworkers. When a farmworker has a house, a garden, a cow, sometimes electricity and a telephone, he is a long way

toward having a living. He has the privilege, many times, of having a small flock of poultry and a few swine for meat. These economic values are to be considered as part of wages paid.

When a farmowner is given the privilege of placing a reasonable value, as a part of wages, upon these, and I say again it is of considerable value, then I believe the farmer with a sufficiently large operation to have 500 man-days of employment within a quarter can and should comply with these minimum standards. It seems to me that now, when there is reasonable prosperity in the farm economy, we can make this small beginning.

It has been said that the bill will influence the wage of labor on other farms. I think it may have a wholesome influence. That is one reason why I should like to see a start made. A tenant farmer or a farm laborer is just about the lowest paid laborer in our society. I am willing to make this start toward a betterment of his lot.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. YARBOROUGH. I yield an additional 5 minutes to the Senator from Tennessee.

Mr. GORE. Mr. President, if Senators from other parts of the country are willing to make this start, which I believe is minimal, but at the same time is reasonable, to include farm labor in the minimum wage law, the coverage ought to be nationwide.

Mr. President, I have given briefly the reasons why I expect to oppose the amendment.

Mr. HOLLAND. Mr. President, I yield to the Senator from Louisiana from the time on the amendment as much time as he may need; or, if he wishes, he may take time on the bill.

Mr. YARBOROUGH. Mr. President, will the Senator from Florida yield to me for a minute on my time?

Mr. HOLLAND. I am glad to yield.

Mr. YARBOROUGH. I desire to thank the distinguished senior Senator from Tennessee, who is an experienced farmer. He is 1 of only 249 in the whole State of Tennessee who have operations large enough to warrant the employment of more than 7 full-time employees. He is one of the few who would be covered under the bill, but he has spoken in support of the bill. I take my hat off to him. He has given us the type of leadership that this body is proud of and appreciates. Although he is one of the few farmers in Tennessee who would be affected, he says he is willing to pay what would be required, because the bill is needed for the Nation. It is a small beginning, which is something that is often overlooked.

In that connection, it has been said here that Franklin D. Roosevelt recommended the minimum wage law only for manufacturing plants. Actually, he said "in the factory and on the farm" when he sent that message to Congress in 1937. Here we are 29 years later, and they never even made it apply to the big factory farms that this bill would reach.

Mr. HOLLAND. Mr. President, I yield such time as he may need to the distinguished Senator from Louisiana [Mr. ELLENDER]. I would appreciate the time being yielded from the bill. We had that assurance from the majority leader.

Mr. YARBOROUGH. That is correct. The time is to be yielded from the time of those opposed to the bill.

Mr. HOLLAND. The Senator is correct. That would be from the 4 hours of time controlled by those opposed to the bill.

Mr. YARBOROUGH. The Senator is correct.

Mr. HOLLAND. That, I understood, was our privilege. The majority leader made it clear that we should have as much time as was needed to support this amendment, even if we had to take time from the bill.

Mr. JAVITS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. HOLLAND. I yield.

Mr. JAVITS. Is it a fact that 4 hours is yielded each to the majority leader and the minority leader, or subject to their delegation, rather than for and against the bill?

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The Senator is correct. Four hours to each of the leaders or their designees.

Mr. JAVITS. Mr. President, the time yielded, then, is out of the time of the majority. But I assure the Senator from Texas that if he is in any difficulty, we will help him on the time question.

Mr. HOLLAND. There is no doubt, Mr. President, about what the majority leader said.

Mr. YARBOROUGH. There is no question, Mr. President, at this time that we yield. We were just discussing whose time would be affected. There is leadership on both sides of the aisle for the bill. This is clearly covered by what the majority leader said. It is anticipated that there will be fair time and equal time for both sides. We are yielding the necessary time on the bill.

Mr. ELLENDER. Mr. President, when I was a member of the Senate Labor Committee in 1937, I was a cosponsor of the Fair Labor Standards Act, passed during the 75th Congress. As one of the Senate conferees who finally ironed out the provisions of that act, I had high hopes that it would achieve the purpose for which Congress passed it. The main purpose of the wage and hour law passed in 1938 was the abolition of sweatshops, particularly those attendant to an industrial society, and which, to a considerable extent, exploited women and child labor. As a member of the Senate Labor Committee, I heard witnesses from various parts of the country testifying to the dreadful conditions to which some of the industries had subjected their workers.

The purpose of the Fair Labor Standards Act of 1938 was most certainly not to launch the Congress and the Federal Government into the business of fixing wages. If prosperity could be legislated, every legislature in the world immediately abolish poverty. If, by establishing a certain minimum wage, poverty could be abolished, I would introduce such a bill and vote for it this very day Obviously, a minimum wage must have some reasonable relationship to the value of the services rendered. We certainly knew in 1938 that we could not legislate prosperity, but we felt that we could, by the passage of the Fair Labor Standards Act, abolish these intolerable working conditions imposed upon men, women, and children by a sick industry. Congress decided in that act to specify the groups of workers and employments and economic activities which would be subject to the wage and hour provisions. Congress applied these provisions to employees engaged in interstate commerce and in the production of goods for interstate commerce. Congress did not extend the coverage of the act to the fullest extent it could have. In other words, coverage under the 1938 act was not coextensive with the Federal power to regulate commerce. As I said before, we indicated the type of industries to be covered, if they produced goods, wares, and merchandise for interstate commerce.

Responsible leaders in government, industry, and labor did not want a minimum wage law to take the place of collective bargaining. Union leaders felt that a statutory minimum wage could well result in the maximum wage in that industry.

The early State laws which preceded the Fair Labor Standards Act of 1938 by 20 to 30 years sought to abolish sweatshops, child labor, and the abuses of women workers. If the original purposes of the 1938 act were as I have stated, why have we come to the present state of affairs in minimum wage legislation? There are several reasons for this situation, two of which I will go into in some detail. The first is that Congress has been subjected to considerable pressure by various interest groups to have certain workers either included or excluded. The minimum wage laws of today merely reflect the politics of our times, and as Prof. D. Leiter, of the City College of New York, commented in the Labor Law Journal in January of 1962, there is no cohesive principle running through these laws.

The second reason for this distortion of the purposes of the minimum wage has been the Federal court decisions interpreting the act. The U.S. Supreme Court, in a lengthy list of grotesque decisions, has so distorted the coverage of workers under the act that Congress was forced to reverse the method of determining coverage. In other words, those persons who are covered by the minimum wage law are no longer listed. Those persons and industries which are excluded from coverage now must be listed in amendments to the Minimum Wage Act. Persons who, under no stretch of the imagination could be considered employees engaged in interstate commerce, or in the production of goods for interstate commerce, were declared by the Supreme Court to be covered.

Mr. President, in my speech and debate in the Senate on August 12, 1960, when amendments were then being considered to the Fair Labor Standards Act, I listed

numerous Federal court decisions which had stretched, twisted, and distorted the coverage of the Minimum Wage Act. I will briefly list a few of these decisions which indicate the absurd length to which the Federal courts have gone.

In one case a small sawmill that sawed timber for use in building a bridge on an interstate highway was placed under the purview of the Minimum Wage Act. This mill produced lumber in the State, for use in the State; but because some of the lumber was used on this bridge on which automobiles went from one State to another, it was covered under the minimum wage bill. Mr. President, that was never intended by the sponsors of this bill.

In another case, gravel and sand were used to construct highways. No matter that that sand was produced and used within the State. The fact that the sand and gravel were used on an interstate highway made the gravel pit owners and the workers there come within the purview of this act.

Mr. President, the point I am attempting to make is that this law has been so expanded by interpretations of the commerce clause that it covers practically every worker within the United States, with mighty few exceptions.

I repeat, the only ones who are not covered in the law are those actually exempted in the law, and among those are farmers. I hope that this Senate will not vote to place the farmers under the minimum wage law.

(At this point, Mr. MONDALE assumed the chair.)

Mr. ELLENDER. Mr. President, I wish to cite a few cases.

In *Kirschbaum Company* v. *Walling*, 316 U.S. 517, the Supreme Court held that the Fair Labor Standards Act of 1938 covered employees engaged in the maintenance and operation of a building whose tenants were engaged in the production of goods for interstate commerce.

The workers who were employed there cleaned the windows, and swept the floors, but because that building had tenants who did business from one State to another the Court said that those employees came within the purview of the act.

In *Walling* v. *Jacksonville Paper Company*, 317 U.S. 564, the Fair Labor Standards Act was held to cover employees of a wholesale paper company who delivered from company warehouses within a State to customers within the same State, after a temporary pause at such warehouses, goods procured outside of the State upon prior orders from such customers.

Borden Company v. *Borella*, 325 U.S. 679. In this case, a manufacturing corporation owned and operated an office building in which 58 percent of the rentable space was used for its central offices, where its production of goods for interstate commerce was administered, managed, and controlled, although the goods were actually produced at plants located elsewhere. The Supreme Court held that the maintenance employees of the building were engaged in an occupation necessary to the production of goods for interstate commerce within the meaning of the Fair Labor Standards Act and were therefore covered.

In *Powell* v. *U.S. Cartridge Company*, 339 U.S., 497, the Supreme Court held that the minimum wage law applied to employees of a private contractor operating a Government-owned munitions plant under a cost-plus-fee contract with the Government. The Court held that the transportation of munitions was commerce within the meaning of the act, even though the munitions were to be used or consumed by the United States and were not for sale or exchange. The Court further held that the Fair Labor Standards Act and the Walsh-Healey Act are not mutually exclusive, but are mutually supplementary.

In *Mitchell* v. *Lublin, McGaughy and Associates*, 358 U.S., 207, the Supreme Court held that the Minimum Wage Act covered nonprofessional employees of a firm of architects and engineers simply because they worked on plans and specifications which were sent across State lines.

Mr. President, in the pending bill we have an enlargement of the so-called commerce clause so as to take in more and more employees in this country, so that in my humble judgment the only employees who will be exempt from the minimum wage law will be those we actually name in the bill.

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum of Federal court decisions which extended coverage of the minimum wage law due to the court's interpretation of the commerce clause.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

FEDERAL COURT DECISIONS WHICH EXTENDED COVERAGE OF THE MINIMUM WAGE LAW DUE TO THE COURT'S INTERPRETATION OF THE COMMERCE CLAUSE

Employees who worked in reservoir area of dam being constructed across non-navigable stream as part of Federal flood control project, removing trees and brush and other floatable material for primary purpose of preventing damage to power machinery of dam, were engaged in interstate commerce and were therefore covered by this chapter. (*Tobin vs. Pennington-Winter Construction Co.*, C.A. Okla. 1952; 198 F. 2d 334).

Where defendant manufactured boxes suitable for containing products of other manufacturing companies located in State, and such companies packed their goods in such boxes for transportation in interstate commerce, defendant was "engaged in production of goods for interstate commerce within this chapter. (*Walling vs. Villaume Box & Lumber Company*, D.C. Minn. 1943, 58 F. Supp. 150).

Where cans of condensed cream and milk were rolled out of refrigerated box cars and loaded into employer's truck for transportation to plant, short haul from rail siding to plant was interstate commerce since there was a practical continuity of movement of goods until they reached plant. (*Foremost Dairies, Inc. vs. Ivey*, C. A. La. 1953, 204 F. 2d 188).

Where complaint alleged that defendant was engaged in business of leasing motor vehicles to numerous corporations and persons who were engaged in production and transportation of goods in interstate commerce, that a substantial number of lessees used vehicles in transportation of goods in interstate commerce and that defendant employed over 100 men for maintaining and repairing motor vehicles, complaint sufficiently alleged that defendant's employees were engaged in "production of goods for commerce" so as to be entitled to protection of this chapter. (*Snyder vs. John J. Castle, Inc.*, D.C.N.Y., 1943, 49 F. Supp. 926).

Where an average of 55.9 percent of rentable floor space during 5-year period involved was occupied by tenants engaged in production of goods for interstate commerce and 25 percent of total annual volume of tenants' business was in interstate commerce, building maintenance and operating employees were entitled to benefits of the chapter on ground that a "substantial part" of tenants' activities related to goods moving in interstate commerce. (*Frank vs. McMeehan*, D.C.N.Y. 1944, 58 F. Supp, 369).

Building service employees, serving building tenants regularly and continuously engaged in production of goods for commerce, were engaged in the "process or occupation necessary to production" of such goods within this chapter, regardless of whether they physically handled or worked on the goods. (*Schineck vs. 386 Fourth Avenue Corporation*, 1944, 49 N.Y.S. 2d 872, 182 Misc. 1037).

Workers on new construction which constitutes an improvement of an instrumentality of interstate commerce are, during the period of such construction, under coverage of this chapter. (*Tobin vs. Pennington-Winter Construction Company*, C.A. Okl. 1952, 198 F. 2d 334).

Construction company employees engaged in work of reconstructing railroad bridges that were instrumentalities of interstate commerce, under contract with railroad company, were "engaged" in commerce within meaning of this Chapter. (*Tedersen vs. J. F. Fitzgerald Construction Company*, 1944, 56 N.E. 2d 77, 293 N.Y. 126, 65 S. Ct. 892).

Mr. ELLENDER. Mr. President, the U.S. Supreme Court recently outdid itself in the so-called Atlanta Motel and the McClung Restaurant cases, by upholding the public accommodations section of the Civil Rights Act of 1964 as being constitutional, although these were actually civil rights cases and reported in 85 Supreme Court, pages 348 and 377. The restaurant under consideration in the McClung case was a local family-owned barbeque place. The evidence did not indicate that it served interstate travelers, but it did buy a substantial part of its meat from a local supplier after the meat had been moved in interstate commerce. The Court held that the act prohibited discrimination in such a restaurant since it was within the power of Congress to regulate interstate commerce. Now a point which is not lost in these cases, even though they primarily dealt with civil rights, is that the employees are subject to the Fair Labor Standards Act as amended.

The Supreme Court by its absurd interpretations of the commerce clause has extended the minimum wage coverage to practically every industry in our country. Congress has had to resort to listing those which are exempt from coverage. The Congress, however, is not entirely without blame, because in 1961, it extended the applicability of the act to employees of an "enterprise engaged in commerce or in the production of goods." In other words, it is no longer a question of whether or not the employee was engaged in commerce, but

whether he worked for an enterprise which was so engaged.

Two other significant wage and hour laws which have helped to muddy the issue and the purposes of such laws are the Davis-Bacon Act of 1935 and the Walsh-Healey Act of 1936. The Davis-Bacon Act provides that Government contracts in excess of $2,000 for the "construction, alteration, or repair of public buildings or public works," shall contain minimum wage rates to be paid to the various classes of laborers or mechanics employed on the site of the works. Davis-Bacon wages are based upon the prevailing wages to construction workers in the area where the work is to be performed. These wages are typically higher than those paid to industrial workers. The McClellan hearings on work stoppage at missile bases during the session of the 87th Congress indicate the extent to which the interpretation and application of this act have been confused.

The Walsh-Healey Act of 1936 actually goes beyond the Davis-Bacon Act in authorizing the Secretary of Labor to set wages based upon the prevailing wages in the area where the work is to be performed. This act, of course, deals with Government contracts generally, and not just the construction of public works, as does the earlier act.

Professor of Economics Jules Backman, of New York University, points out in the 14th Annual Conference on Labor in 1961 what he calls the "ratcheting effect" of raising the minimum wage under the Walsh-Healey Act. Professor Backman states the effect as follows:

> Changes in minimum wages are not made in a vacuum. All wages paid by a plant are part of a closely interrelated structure. Over time, various pressures act to solidify relationships. Each worker develops attitudes toward the relationship between his wage and that paid to other workers. Once a worker has obtained a differential as compared with other workers it defines his status in the labor hierarchy. He develops a vested interest in maintaining or improving that relationship—either in absolute or in relative terms—and resists vigorously any action which will tend to narrow it. When the differential is narrowed, demands develop for its restoration. And the greater the narrowing, the more vigorous the demand for restoration of historic earlier relationships.

The obvious result of such wage fixing has been a union-Walsh-Healey wage seesaw. As wages go up, so does the Walsh-Healey floor, which in turn, tends to bolster union demands for higher wages; and that in turn leads to higher wage floors as industries are resurveyed. Wage methods, of course, have been used to determine Walsh-Healey minimums, such as contract minimum wages, the wage cluster standard, the majority of workers standard and the majority of establishments standards, and so forth. Whatever the method used, Walsh-Healey minimums affect the entire wage structure. It is, of course, human nature for workers and employers to desire the establishment of differentials based upon capability, responsibility, education, and so forth.

When Congress enacted the Fair Labor Standards Act of 1938, it did not just decree that every worker be paid a living wage. As Dr. Donald E. Cullen, professor of labor relations at Cornell University, pointed out in his booklet "Minimum Wage Laws," February 1961:

> Congress explicitly tempered its resolve to eliminate substandard wages and hours "as rapidly as practicable" by adding the phrase "without substantially curtailing employment or earning power".

I believe that Professor Cullen puts the issue in sharp focus when he states:

> It is undeniable that there still exists acute poverty in the midst of our "affluent society," nor does anyone dispute the necessity of maintaining purchasing power or preventing a repetition of the tragic wage collapse of the early 1930's. The issue * * * is whether minimum wage laws can accomplish these laudable purposes.

When the employer is put out of business and the employee loses his job, the minimum wage law has defeated every purpose ascribed to it.

What are the alternatives which a low wage employer is offered when a minimum wage is imposed on his employees? There are, among other things, price increase, reduction of hours, improved selection and training of workers; increased work standards, replacement of least efficient workers, reorganization of work procedures, increased mechanization, compression of wage differentials, intensified selling efforts, reduction of work force, acceptance of lower profits and going completely out of business. We have seen, even in the past 10 or 15 years, one or more of these effects put into operation in businesses of our own knowledge and acquaintance. Some examples are, of course, the self-service elevators replacing the elevator operators. I might point out here that Congress seems to be able to afford both. Farm machinery has vastly reduced the number of farm laborers; household appliances have all but replaced domestic employees, and these are only a few of the countless numbers which one could imagine.

If there is any need for establishing a minimum wage at $1 an hour or $1.75 per hour, and if this can be done without regard to a whole host of economic factors, why should not the minimum wage be set at $5 per hour? The relative economic and political power of the parties at issue must have some reasonable relationship to the accord or decision reached.

Mr. President, at this time when the Nation is on an escalator of inflation, it seems to me that the administration is doing everything possible, either by design or by accident, to accelerate this dangerous condition. We are presently conducting a full-scale war in Vietnam, we are spending billions of dollars on domestic programs, which have no long-term value to the economy and only contribute to the inflationary spiral. The Senate Labor Committee's minimum wage bill will only further contribute to the runaway inflation which we now have in this country. The committee admits that passage of this bill will cost $2 billion. In a strange attempt to justify their action, which amounts to pouring gasoline on a fire which is now almost beyond control, they point out that our present gross national product is $732 billion a year. It seems to me almost completely unnecessary to have to point out that in an economy so riddled with inflation as ours now is that the gross national product statistics are meaningless. Obviously, the gross national product is going to rise every time the costs of goods and services rise. I wonder if the members of the Senate Labor Committee who rendered the majority report made any attempt to determine the value of the dollar which they claim they are so anxious to put into the hands of the millions of new workers to be covered by the bill. The $2 billion which they claim will be added to the economy in new and higher wages will obviously have to come from some other segment of the economy and the only conclusion to be drawn is that the dollar will be further devaluated.

At this point, Mr. President, I want to go into an analyses of the committee's bill which would amend the Fair Labor Standards Act, and also make some comments and observations upon the committee's report which was submitted in justification of the action taken. In the committee's report, the majority members make the observation that it is the Congress' findings and declaration of policy that there exist in industries engaged in commerce, or in the production of goods for commerce, conditions detrimental to the maintenance of a minimum standard of living for the health and welfare of the workers and that this causes commerce and the channels of commerce to be used to spread and perpetuate these poor conditions among the workers and that the present state of affairs burdens commerce in the free flow of goods and further, that it constitutes an unfair method of competition in commerce. The committee further contends that the present labor situation leads to labor disputes and interferes with the orderly and fair marketing of goods in commerce. It seems to me to be obvious that the inclusion of millions of new workers and the increase in the minimum wage will have the opposite effects from those the committee claims. The added cost of goods and services is certainly not going to be helpful to the low wage earners of this country. As far as the alleged unfair method of competition is concerned, I believe that this is merely a smokescreen to prevent or retard the movement of industry into the southern United States. It is not the labor leaders alone who wish to prevent the industrialization of the South, and this claim of unfair competition is merely a poor attempt to hide the fact that there are many obvious advantages for industries situating in the South. Our climate, natural resources and an available labor market are ample reasons for the movement of industries southward.

If, by and large, wages are lower in the South than in other sections of this country, I would point out that the cost of living is also lower in the South. One point which always seems to escape the bureaucrats who wish to centralize everything is that the United States is a vast country, and while we have a free flow of commerce, the size of the coun-

try, the local conditions and the local resources will always prevent a completely uniform economic condition all over the United States.

Mr. President, at a time when we are profoundly concerned with the conditions of our great cities and the constant migration of our people from the rural areas, the passage of the present bill can do nothing but accelerate this migration. By applying coverage of farm workers in the minimum wage law, no other effect can be expected than increased mechanization of farm tools and the driving of the farmworkers from their homes. I sponsored a bill earlier this year which had for its prime purpose the improved condition of rural America, and this was to be accomplished by attempting to bring urban comforts and necessities into the countryside so that the people would remain on the land and stop their flight to the big cities. By extending the coverage of the minimum wage law to agricultural workers, we cannot hope to maintain the small towns and rural communities of this country. This bill today will have the effect of driving the agricultural workers from the farm. If there was ever any hope of saving the family farm, I think that it is lost upon the passage of this bill. I say this in spite of the fact that the Labor Committee claims the opposite. The fact that the present bill would include only farms which employ seven or more workers does not alter the fact that a smaller farmer is going to have to meet the competition of the minimum wage paid on the larger farm.

Mr. President, I hesitate to enter into a discussion of collateral issues; however, I think it should be made abundantly clear who is going to be hurt by the passage of this bill. It has been well established that the Negroes in our society are at the lowest rung of our economic ladder. The effects of this bill will drive them further down. This will only increase farm mechanization and drive many thousands of Negroes into the big city ghettos. Whatever chance existed before for the employment of teenage Negroes will be almost completely lost by the enactment of this minimum wage bill.

If the minimum wage is applied to more retail establishments, restaurants, hotels, laundries, and farms, we can rest assured that employers will seek every method possible in cutting costs in order to compete with other employers engaged in the same business. Of course, prices will rise because of this bill, but the long-term effect will be the more rapid automation of all industries affected.

In regard to the price of agricultural commodities, the Senate Labor Committee's report makes the interesting observation that:

> If retail prices go up more * * * and if the increase is blamed on rising labor costs in the field, the American housewife should demand a complete and immediate Congressional inquiry.

Mr. President, I wonder which committee of Congress will have the dubious honor of conducting this inquiry. I am afraid that the Committee on Agriculture and Forestry of which I am chairman, is going to be saddled with that responsibility.

If the proposed amendments of the Senate Labor Committee are enacted, approximately 7.2 million workers will be covered for the first time by the minimum wage bill, and the present minimum wage will be extended to $1.40 an hour, beginning February 1, 1967, and then extended again on February 1, 1968, to $1.60 per hour. As I said before, the committee estimates that this increase will amount to approximately $2 billion annually. Of the 1,895,000 farmworkers, the Labor Committee would extend minimum wage coverage to approximately 390,000. How this could be done without adversely affecting the other 1.4 million is beyond me. The committee makes the interesting observation that:

> The imputed wage for the family farm operator and his family (those not to be included in the present bill) would no longer be so drastically undermined by the tragic wages of workers on the largest farms.

I believe that the opposite effect will occur. I think the family farm will be further undermined, because regardless of how small family farms are, there is a need for some outside help, and if they are to secure this added assistance, they are going to have to compete in the payment of wages with the larger farms.

Mr. President, turning to a slightly different aspect of the bill, I would like to comment upon the method used by the committee in extending the coverage of the minimum wage law. This has been done by two methods. The first is to remove exemptions which have previously existed in the law, and, secondly, by changing the definitions previously used in the law, particularly that part regarding interstate commerce and production of goods for commerce. In my earlier remarks, I discussed these two terms as originally intended by Congress and as distorted by the Supreme Court and other Federal courts. Now we have Congress itself changing the definition to further broaden the scope of coverage. The definition of "enterprise," which Senators will recall was added in the 1961 amendments is now to mean "an enterprise which has employees engaged in commerce or in the production of goods for commerce, which shall include employees handling, selling or otherwise working on goods that have been moved in, or produced for commerce."

Mr. President, I believe that this is one of the most flagrant examples of the distortion of the commerce clause which has only been rivaled by Supreme Court interpretations. In other words, under the proposed new definition, anyone working, or handling, or selling goods that have been moved in or produced for commerce will be covered by the committee's bill. This definition, along with the Federal courts' decisions, makes it virtually impossible for the mind to imagine any article for sale which would not come within the definition.

Mr. President, I believe that the amendments proposed by the Senate Labor Committee are the most irresponsible legislation that has been seriously considered by the Congress in many years.

Mr. President, a few Senators have stated, particularly my good friend from Texas, that there are only a few, just a handful, of farms that will be affected by this bill. But if we are to judge from what has happened in the past, that will not happen. The original bill was supposed to cover just a few hundred thousand employees. Now, it covers millions of employees. That has been done by amendments adopted by the Congress, as well as through interpretations by the Supreme Court. By putting farmworkers under this bill and making it possible for only those farms with seven employees or more to be covered, it is only a question of time before the number is reduced. After a while everybody will be covered.

As I said before, I was a cosponsor of the minimum wage bill when it was enacted in 1938. I held hearings on the proposal for hours. At no time was it ever considered by the sponsors of the bill that farm labor would be included.

As I said, many attempts have been made to incorporate farm labor into a minimum wage bill. This is the fifth effort made to place farm labor under the minimum wage law. I hope the Senate again refuses to take that action.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLAND. Mr. President, I understood the majority leader wanted to take time out of the time on the bill.

Mr. YARBOROUGH. Mr. President, I yield to the majority leader 3 minutes on the bill, or such time as he may desire.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to the consideration of executive business.

NOMINATIONS REPORTED BY THE COMMITTEE ON THE JUDICIARY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nominations reported favorably today by the Committee on the Judiciary.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The nominations will be stated.

U.S. DISTRICT JUDGE

The legislative clerk read the nomination of Bernard J. Leddy, of Vermont, to be U.S. district judge for the district of Vermont.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. CIRCUIT JUDGE

The legislative clerk read the nomination of David W. Dyer, of Florida, to be a U.S. circuit judge for the fifth circuit.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

ORDER FOR COMMITTEES TO MEET TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may meet until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

FAIR LABOR STANDARDS AMENDMENTS OF 1966

The Senate resumed the consideration of the bill (H.R. 13712) to amend the Fair Labor Standards Act of 1938 to extend its protection to additional employees, to raise the minimum wage, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLAND. Mr. President, I shall take only a few minutes to answer two of the points that have been brought up by my distinguished friends who, for some strange reason, are supporting that provision of this bill which would include, on a rather general scale, agricultural labor.

The first point was made by my friend the Senator from Texas, who quoted very liberally from a letter from the Farmers Union supporting the inclusion of agriculture within the coverage of the minimum wage bill.

He could not have done anything which would more clearly illustrate the fact that this bill is primarily supported by the liberal wing of the labor movement, and by those others who subscribe to ultra-liberal tendencies, and who think that the proper thing is to put all business, all the people of the United States, under and subservient to Federal agencies here in Washington.

The Farmers Union was organized by organization workers of the CIO, and as a helpful subsidiary of the CIO. It has always maintained that close connection with the highly liberal wing of the labor movement. It still speaks for that movement; and the very fact that this strong letter should have come from the president of the Farmers Union indicates more clearly than many words who is behind this particular effort.

Mr. President, I wonder why my distinguished friend did not state that the Farm Bureau Federation, which is the organization of the really successful farmers, generally speaking, throughout this Nation, a tremendous organization—consisting, according to my recollection, of about 1,800,000 farm families—is vigorously opposing this bill. I wonder why he did not look at the record of the hearings, and notice, on page 789 and following, statements of very distinguished representatives of the Farm Bureau from the State of Texas who appeared to testify against this bill.

The first statement appears on page 789 of the record, a statement by William R. Deines, executive vice president, Texas Citrus & Vegetable Growers & Shippers, of Harlingen, Tex. I shall not attempt to quote from that statement, which is a very full one, but I simply state that he is vigorously against this bill, or any inclusion of agricultural labor under the coverage of the Wage and Hour Act.

The second statement to which I refer is on page 797 of the printed record, the statement of Othal E. Brand, grower, president of Griffin & Brand, McAllen, Tex. Again I shall not attempt to quote from that statement, but I state—and it may not be contradicted—that he is vigorously against the inclusion of agricultural workers under the provisions of the Wage and Hour Act, and he quotes a resolution of a farm bureau federation—the National Farm Bureau or the State Farm Bureau, one or the other.

The third statement is by H. L. "Hub" King, director, Texas Farm Bureau; and that appears on page 801 of the printed record. There could not be a stronger statement against the extension of minimum wages to cover farmworkers or farm industries than this statement of Mr. King.

I am not as well acquainted with these gentlemen from Texas as is the Senator from Texas, but they speak for very fine organizations, and they quote resolutions of very fine organizations. They speak good sense, because they tell of the gradual, all-too-fast removal of production of fruits and vegetables from Texas down into Mexico, and they tell of the plight of the small people, and of the fact that though this legislation would affect primarily the large producers, it would certainly affect the small, because they would have to compete for their workers.

Mr. President, there is no doubt about that. They would either have to pay whatever rate was paid by the large growers, or satisfy themselves with using inefficient people who could not stay on the payrolls of the larger farm organizations. There is no doubt of that. Commonsense tells us that the less efficient the workers are who are employed by the smaller members of the agricultural community, the more difficult they will find it to keep their heads above water.

The second point I make is akin to the first. It is in response to a point made by my distinguished friend from New York [Mr. JAVITS]. He stated that the real reason why he is supporting this bill so ardently is that he thinks it will stop the flow of the farm people from the rural areas to the great cities. That is what he wants to do. I do not know why he wants to do it, because I think he needs more of the conservative thinking people there in his great city—and I think that is true elsewhere as well—than they now seem to have, judging by the demonstrations which we hear about, and the other things which are happening.

But I merely wish to say to him that his conclusions as to the effectiveness of this law differ completely from the conclusions of the three very famous economists whom I have already quoted in my principal remarks, and whom I shall take the liberty of quoting again, because I think their statements do bear weight, and I think that they are so very opposite from the conclusions reached by the Senator from New York that they should again appear in the RECORD at this point.

These three economists are Prof. James Tobin, the late President Kennedy's economic adviser, Prof. Arthur Burns, former head of President Eisenhower's Council of Economic Advisers, and Prof. Gottfried Haberler of Harvard University.

Professor Tobin said:

> People who lack the capacity to earn a decent living need to be helped, but they will not be helped by minimum-wage laws, trade-union wage pressures or other devices which seek to compel employers to pay them more than their work is worth.

He says more than that. I shall not attempt to quote again the full statement.

Professor Burns said:

> The broad result of the substantial increase of the minimum wage in recent years has therefore been a curtailment of job opportunities for the less skilled workers.

And Professor Haberler said:

> Raising the minimum wage would thus be an irresponsible antisocial measure, reducing job opportunities of the poor, promoting inflation and retarding growth.

I read that into the RECORD because it seems to me so clear that very responsible authorities, who are experts in this field, come to the exact opposite conclusion from that stated by my distinguished friend from New York. They think that the imposition of minimum wages to the agricultural work force of this Nation will deprive many of the less efficient ones of any chance to make a living, and will send them bawling to the cities. They think that it will also hurt the smaller farmers, who have to rely upon the inefficient, if it comes to this kind of a tragedy in the employment picture of American agriculture.

Mr. President, I hope that our amendment will be agreed to. I am quite willing, of course, as always, to abide by the verdict of the Senate.

However, let those Senators who contemplate voting for this provision in the bill remember that the rural communities of the Nation do not favor this provision and they are not going to react kindly to it. They will be against the Senators and Representatives and those who favor this kind of unsound and unreasonable proposal if this kind of proposal is enacted into law and is followed in a progressive way—which the wage-and-hour legislation has shown by its past history, always stepping up, escalating, going from smaller coverage to greater coverage and from a small wage to a greater wage, and always imposing

more and more difficult burdens. I just call attention to that because I do not want any Senator casting his vote for this particular measure to be unaware of the fact—which I believe to be the fact, with the small exception nationwide of the National Farmers Union—that the farmers of this country are against this proposal.

The farming communities are against this proposal. They know that it will cut down on the size of the small farming communities. They know it will cut down on the population of the small farming communities. They know that the enactment of the pending bill means a tragedy for them and for the countryside which they hold most dear.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. YARBOROUGH. Mr. President, since the distinguished Senator from Florida has referred to my quoting of certain letters from the National Farmers Union and has referred to the table contained in the transcript of hearings before the Migratory Labor Subcommittee, I point out that three people appeared from Texas to testify against the pending bill.

I point out that on April 12, in the testimony given that day before the subcommittee headed by the distinguished Senator from New Jersey [Mr. WILLIAMS], there were 10 witnesses from Texas, including 1 U.S. Representative, Representative GONZALEZ. Most of those who appeared to testify for the bill represented different organizations. Three people appeared to testify against the bill.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. HOLLAND. Mr. President, did farm organizations testify for the bill? I did not find any such record. There were representatives of churches who testified.

Mr. YARBOROUGH. Churches were represented. One witness was from the Governor's Coordinating Office of Economic Opportunity. One was from the Bishop's Committee for the Spanish Speaking, San Antonio. One was for the AFL–CIO. One was Harold Kilpatrick, executive secretary, Texas Council of Churches, Austin, Tex. He is a good friend of mine. I know him better than I know any of the others.

I point out that I do not attribute a great deal of importance to the number of witnesses who testified.

Mr. HOLLAND. Did a single one of the witnesses named by the Senator represent the farming community of Texas?

Mr. YARBOROUGH. I point out that the Senator mentions the Farm Bureau. The Farm Bureau goes out and signs up members of the chamber of commerce. I do not criticize the organization for doing this. However, in a recruiting campaign in my home city of Austin, Tex., they recruited every member of the chamber of commerce for membership in the Farm Bureau. I do not criticize them. Everybody likes to have a big organization.

The National Farmers Union limits its membership to active operators of farms. I do not criticize the Farm Bureau for its membership.

I have met two of these witnesses. I have met Mr. Brand. I saw him once in my life. I do not know Mr. Deines. I do not know 2 out of the 3. I did see the other gentleman one time, but not on a legislative matter.

Mr. President, the other remark that the Senator from Florida made—and I think it is very significant—is that the farmers are afraid of this bill and are against it. I agree with that statement.

The farmers have been propagandized. They have not been told the truth about this legislation. There has been no way to get to them the fact that the bill covers only 1.6 percent of the farm operators of America. That 1.6 percent of the farm operators hire 39 percent of the farm labor in America. They are the big operators. They are the ones who are squeezing the independent family farmers to death with cheap wages.

Millions of family farmers operate their farms without hiring a single hired hand. They must put their own capital and labor into the operation and compete against the 60- and 70-cent-an-hour wages paid on the big farms by the big corporate type farmers.

That is what is driving the family farmer off his farm and driving him into the city where he must compete with that cheap, big, factory type of farm.

Mr. President, I yield back the remainder of my time.

Mr. HOLLAND. Mr. President, the farmers throughout the Nation are against the pending bill, and the farming communities are against it. They are against the inclusion of farmworkers. They are not especially concerned with the other features of the bill.

The testimony of witnesses from the State of Texas could be duplicated in every other State by witnesses from the welfare and union organizations who are for the bill. However, they do not know the tragic consequences of the enactment of the bill and its application to agriculture as well as the agricultural people do.

I stand upon the attitude and the position of the best producers, those who are producing the food and fiber for the Nation. They are entitled to fair treatment from the Senate. We have heard no supporting word for the bill from the Farm Bureau, the Grange, the National Association of Cooperatives, and many of the other highly reputable farm organizations. And, we will not hear any such word because those organizations are not for the bill.

Mr. President, I hope that we may now get on to a vote on the amendment.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of New Jersey. Mr. President, when the minimum wage law was created in 1938, were any of the industry spokesmen, who testified, for the minimum wage law?

Mr. HOLLAND. Mr. President, I was not here at that time. I do not know the answer to that question, but I prefer to rest my answer upon the statements just made by my distinguished friend, the Senator from Louisiana [Mr. ELLENDER] who was here and who served on the committee which reported the bill and conducted part of the hearings.

According to everything the Senator from Louisiana told us, agriculture was left out of the bill deliberately and completely because it was felt that the bill should not apply to agriculture. That is the issue at this time.

Mr. WILLIAMS of New Jersey. The issue then was in manufacturing and industrial production. However, I wonder if any of the producers and manufacturers at that point expressed any favorable comment about a minimum wage for industry. It is my recollection that they did not.

Mr. HOLLAND. The Senator may be older than I am, and he may have been around at that time.

Mr. WILLIAMS of New Jersey. I only look older.

Mr. HOLLAND. Mr. President, the Senator from Florida was still practicing a legitimate profession at his home in Bartow, Fla., in 1938. He was not here and is not able to answer that question.

Mr. WILLIAMS of New Jersey. At a later time, I shall quote a distinguished Representative, whom I did not know, who spoke on the question of agricultural worker coverage during debate on the 1938 act. His last name was Wilcox. He came from the great State of Florida which the Senator represents. Does the Senator recall Representative Wilcox?

Mr. HOLLAND. I remember Representative Wilcox very well.

Mr. WILLIAMS of New Jersey. Mr. President, at a later time I shall quote that Floridian.

Mr. HOLLAND. I shall listen with great interest.

Mr. President, I yield back the remainder of my time.

Mr. YARBOROUGH. Mr. President, I yield back the remainder of my time in opposition to the amendment.

Mr. KUCHEL. Mr. President, I send to the desk my amendment No. 763 and offer it in the nature of a substitute for the pending amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read, as follows:

In lieu of the various perfecting amendments proposed by the Senator from Florida [Mr. HOLLAND] and others, I offer a substitute to strike out all of lines 12 through the word "thereafter" in line 16 on page 53, and insert the following: "not less than $1 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1966, not less than $1.15 an hour during the second year from such date, not less than $1.30 an hour during the third year from such date, not less than $1.45 an hour during the fourth year from such date, not less than $1.60 an hour during the fifth year from such date, and not less than the minimum wage rate prescribed by section 6(a)(1) thereafter".

The PRESIDING OFFICER. Who yields time?

Mr. KUCHEL. I yield myself 15 minutes, Mr. President.

Mr. President, I quote from page 19 of the Senate committee report:

The wages paid many farmworkers are far below the minimum wage standards established by the act. The minimum wage for covered agricultural workers will be $1

an hour beginning February 1, 1967; $1.15 an hour beginning February 1, 1968; and $1.30 an hour beginning February 1, 1969. Room, board, and other facilities customarily furnished employees by employers are "wages" according to their fair value or reasonable cost as provided for in section 3(m) of the act.

That is the law today, and under this legislation would, of course, remain the law. It is untouched.

Mr. President, may we have some order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KUCHEL. Continuing, Mr. President:

In the case of hand harvest workers paid on a piece rate basis, the employer will be considered as complying with the act if the hourly average of the aggregate earnings of all such workers during any workweek exceeds the minimum hourly wage. However, in no event may any individual worker be paid less than 75 percent of the applicable minimum wage.

Mr. President, my interest in the subject of the minimum wage for agriculture is hardly new. Certainly, it is not novel. Over a year ago, in the Senate, I offered legislation providing for a national minimum wage for agricultural workers.

I congratulate the Senate committee for what it has done, as, indeed, I congratulate the House of Representatives for what it previously did. Both recognize, at long last, a principle—that a national minimum wage for farm labor in this country is just as relevant for consideration by the Congress as a national minimum wage for industrial workers, and ought to be considered in the same fashion and in the same bill.

My regret, obviously, is that what the Senate committee has done is to start the farmworker off at $1, raise it the second year to $1.15, raises it the third year to $1.30. My amendment is revised from the form in which I offered it a year ago, and would provide a continuation of the annual steps which the pending bill presently requires, providing in the fourth year a raise to $1.45 an hour, and in the fifth year to the national minimum wage.

I do not know whether anyone so far has translated what these minimum wage figures will mean. It is relevant to observe that in 1967, under the minimum wage now provided, the munificent sum of $40 a week will be available to a farmworker in America under a minimum wage of a dollar an hour. And that $40 a week for an American farm laborer, commencing next February 1, by this bill, is gross and not net.

Leaving aside the deductions that will be required to be taken from the $40 by various excises both of the Federal Government and of the State, and considering the gross figures, the farmworker will be guaranteed that he will get no less than $40 a week. In 1968 it will go to $46 a week; in 1969 it will go to $52 a week; in 1970 it will go to $58 a week; in 1971 it will go to $64 a week—all under the bill and under my amendment.

Mr. President, when I first came to the Senate there was on the statute books a law known as Public Law 78. Public Law 78 was a special statute, one which was required, in the opinion of Congress, for the benefit of the farmers of this country. It set up in a precise fashion a means by which the American farmer, if he found in any State that he was unable to attract American domestic farm help, and if that fact was confirmed by the government of his State, might have the opportunity to turn to the Government of the United States and, under the procedures outlined in Public Law 78, would be able to hire foreign nationals on a temporary basis in order to help him harvest his crops. It helped to secure a sufficient supply of labor. In many States, particularly in my own State of California, domestic labor was unavailable in sufficient quantities to harvest the crop in high season—even when growers made substantial efforts at recruitment over a wide area.

I believe in Public Law 78, and voted for it. It was not very fashionable sometimes to do so, and I regret that it finally died. I salute my friends on the other side who stood here and championed the continuation of Public Law 78. But the fact remains that during the time it was in effect, tens of thousands of foreign nationals came to the States of the American Union to help the American farmer because there was not enough American labor available to work on the farms of this country.

A little more than a couple of years ago, Public Law 78 died. It died in the Senate Chamber. Then, some of my constituents asked the Secretary of Labor to utilize the authority which he had under the immigration statutes in this country nevertheless to recognize a shortage of agricultural labor and to permit the use, on a temporary basis, of foreign farm labor personnel to help.

The distinguished Secretary of Labor announced that he would require certain conditions precedent in order to make a determination that an American farmer needed temporary foreign help. In the case of a farmer in California, he determined, first, that the farmer in California would have to offer $1.25 an hour to any American, and find thereafter that no American was available at that price, or insufficient Americans were available at that price, before the Secretary of Labor would consider whether or not to recommend foreign nationals to come in and assist.

Subsequently, in April of last year, the Secretary of Labor raised the requirement with respect to the California farmer to $1.40. At the same time, across the border, in the State of Arizona, the Secretary originally said the Arizona farmer would have to pay $1.05 an hour, and, subsequently, in April of 1965, raised that condition precedent to $1.25. In Florida, he started out with 95 cents and raised it to $1.15. In Texas, he did the same thing. In Virginia he came up with $1.15 an hour.

These wage levels of last year and the year before are well above the standards to be applied by this act when it goes into effect next year. What I am saying, Mr. President, is that the agriculture of this Nation requires an assured labor supply, and the way to do it is to provide a minimal standard of life for those who would choose to work on the soil.

Mr. President, I was interested in what was said earlier in this debate, which I have tried to follow, as the basis upon which this legislation first was enacted into law almost 30 years ago.

Mr. President, I shall quote from page 2 of the report, which in turn quotes the Secretary of Labor:

The Fair Labor Standards Act of 1938 was a commitment to improve living standards by eliminating substandard working conditions in employment subject to Federal authority over interstate commerce. That commitment, incomplete when it was made, has become less complete with the passage of time. The law has not been kept in line with the advancing economy; and some of its guarantees mean less, comparatively, than they did 27 years ago (p. 33, pt. I, of hearings).

Maybe they do mean less, but God knows that they do not mean more.

The committee report states at the bottom of page 19:

A 1965 survey of 1.4 million hired farmworkers indicated that 70 percent earned less than $1.25 an hour; 50 percent earned less than $1 an hour; and 34 percent earned less than 75 cents an hour. Average hourly earnings in agriculture were $1.01 an hour on July 1, 1966, in the United States. In some States the average falls below 60 cents an hour and there are reports of wages of 30 cents an hour.

Mr. President, if there was any wisdom, if the public interest was served at all a third of a century ago in the Congress concluding that it was establishing a minimum wage for people who worked in industry and commerce, so long as their work touched commerce, then there is an indispensable reason in 1966 for this Congress to include, at long last, American farmworkers on a similar nationwide basis. That principle is now recognized in the legislation which is before us.

What is the reason, Mr. President, that however it is chopped off, that when a worker gets to $1.30 an hour or $52 gross a week on February 1, 1969, that he has had enough? Why stop there?

The truth is, Mr. President, that there is no reason to make any distinction between men and women in one part of the economy of this country on the one hand, and those who labor in another.

It would be justly in the interest of the national economy, if, generally speaking, a man or woman could know that he could work on the west coast or east coast, in the North or in the South, if his work touched commerce, with the benefits of the same national minimum wage law.

I am glad to observe that this subject has been discussed in a political fashion in California. I am glad to observe that the leaders of the party of the distinguished senior Senator from Texas have urged a national minimum wage for agriculture; and I am glad to observe that my party in California has iterated and reiterated its interest in the establishment by the Congress of the national minimum wage.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point excerpts of the last three plat-

forms of the Republican State Central Committee of California:

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Republican Platform of 1962—" . . . the Republican Party pledges to . . . Support a federal minimum wage for agricultural workers and oppose a state minimum wage on the basis that it would place California's agriculture in an unfair competitive position."

Republican Platform of 1964—"We endorse a national minimum wage for farm workers so that California will not be in a competitive disadvantage with the rest of the nation."

Republican Platform of 1966—"Major legislation affecting agricultural employees including minimum wage and employee representation should be considered on a uniform national basis."

Mr. KUCHEL. Mr. President, I wish to allude to one part of the bill which limits the applicability of these agricultural employees provisions to those farmers who during any one quarter in the previous four have utilized 500 mandays. That, in itself, will serve to eliminate a large section of the farmers of America.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Mr. President, I ask unanimous consent to proceed for 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, indeed this legislation would affect only a very small percentage of the farms in this country. It would, however, operate with respect to some 400,000 farmworkers.

Mr. President, I shall make one general observation and then I shall conclude.

I spoke briefly the other day before the subcommittee dealing with the problem of cities. Every city in this land is deeply concerned with the seething potential upheaval, as well as the actual disturbances which have taken place across this country. We are interested in getting the best guidance possible to preserve our country, to make it stronger, and to give the American family a little better opportunity to go forward.

One distinguished educator, speaking on this subject in my State, said earlier this year:

The economic unity of these families depends on daily wages. What can we predict of a nation which places these children at an early disadvantage as a result of median earnings for 245,000 male adults of $774 per year? This cannot possibly begin to sustain the basic needs for decent family living. Certainly, a minimum wage rate for an adult male worker should enable him to rear a family in decency and respect. What standard of living decency can be expected where 72 per cent of male adult workers earn less than $3,000 per year? The advocated minimum of one dollar and forty cents per hour as a national minimum for field work is hardly adequate today.

Mr. President, I agree. At least we should provide in this legislation that the American farmworker is going to be treated exactly the same as any worker in the American economy.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. YOUNG of North Dakota. The Senator spoke of $1 and $1.25 an hour for farmers. Does the Senator include in that figure housing, which is often furnished, a garden, and other things? Is that included as part of the $1.25?

Mr. KUCHEL. It is, and I am glad the Senator asked me that question. Those things which are ordinarily room, board, and other facilities, customarily furnished employees, are wages and are a part of the provisions of the bill, and also of my amendment.

Mr. YOUNG of North Dakota. Are they deducted from the $1.25 minimum?

Mr. KUCHEL. They would make up that portion of the salary for the workweek that they would represent.

Mr. YOUNG of North Dakota. That would be a very complicated business, would it not, deducting housing and things of that order?

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. YARBOROUGH. Mr. President, I yield myself 5 minutes in opposition to the amendment offered by the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

Mr. YARBOROUGH. Mr. President, I appreciate the remarks of the Senator from California. I think there is much merit in them, borne out by the abundance of his experience. California has the greatest agricultural income of any State in the Union. My State of Texas has the most farmers, and therefore the most farm families, but California has the greatest agricultural income. Under this situation, there is much merit in the amendment.

However, this matter was voted on in the subcommittee and in the full committee. That position has been stated, on page 19 of the report, as follows:

The committee is fully aware of its responsibility in extending the minimum wage standards of the Fair Labor Standards Act to agricultural employment for the first time. The initial rate established for farmworkers is the same rate set for all newly covered workers—$1 an hour in February 1967. The bill further provides that the increases in the minimum wage for farmworkers wil' parallel the increases provided for newly covered nonfarmworkers—in February 1968, to $1.15; and in February 1969, to $1.30. While the committee has provided for two additional increases for nonfarm newly covered workers so that all nonfarmworkers will be required to be paid at least $1.60 by February 1969, no schedule of escalation has been included to raise farmworkers to the Federal minimum wage of $1.60. It is the intention of this committee that all workers under the act be subject to a single minimum wage. The committee action in limiting the pattern of escalation for agriculture at this time to $1.30 in February 1969 is to insure that there be a careful evaluation of the effects of applying a minimum wage to agriculture. The committee expects that agriculture will adjust without adverse effects as have other industries under the act and that additional increases will be provided in the future.

Mr. President, grave misgivings have been expressed by the Senator from Florida, the Senator from Louisiana, and the Senator from Mississippi, that this might limit agricultural opportunities for farm labor. I do not agree with that premise. In the language of the Declaration of Independence, having "a decent respect to the opinions of mankind," I respect their great knowledge, and their great experience. However, both the subcommittee and the full committee voted on this matter and we have limited it to 2 years. We have kept it at the same level with the other amendment for 2 years. We thought it best, with respect to the grave misgivings of some that this might adversely affect agriculture, to stop there and look at it again before we provided further escalation, to see whether it has been beneficial to agriculture and to American farm families, as the majority thought it would. If it works adversely, which I do not for a moment think it will do—but if it does, we would see what other steps should be taken. That is why we stopped the escalation; not because it is too much; not because it can bring the farmer up, but to find out what the effect on agriculture will be.

I commend the Senator from California for bringing this to the attention of the Senate.

I sympathize with his position. I realize the need of these people for higher earnings.

Mr. HOLLAND. Mr. President, will the Senator from Texas yield me 5 minutes?

Mr. YARBOROUGH. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, earlier in the day, in the course of argument on the bill, I and other Senators pointed out the fact that there are those who, standing in the wings, are anxious to escalate the minimum wage rate for agricultural workers at the earliest possible date, in order to bring agricultural labor to a comparable basis, or on a parity with industrial labor.

I did not anticipate that we would have that point demonstrated so clearly, and so soon, as it has been in the last few minutes, by the distinguished Senator from California in introducing his amendment which proposes to put agricultural labor on the identically same rate as industrial labor, beginning 5 years from now and extending it continuously thereafter.

Mr. President, it is apparent that that kind of treatment is notice to the farming community of the Nation that the traditional differences and the natural differences between agriculture and agricultural workers and industry and industrial workers are to be abandoned as quickly as possible by the ardent adherents of the bill, or at least by some of them.

I thank the distinguished Senator from Texas for his position. I greatly approve of his taking a position which, for the time being, on this matter, is much more favorable to agriculture than

is the amendment of the Senator from California. I sincerely trust the amendment offered as a substitute by the Senator from California will be defeated.

Mr. YARBOROUGH. I thank the Senator from Florida. I appreciate that he recognizes how moderate the committee has been with respect to agriculture.

Mr. LAUSCHE. Mr. President, may I have 2 minutes to ask questions of the Senator from California?

Mr. JAVITS. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. The Senator from North Dakota [Mr. YOUNG] asked the Senator from California whether, under his amendment, there would be deducted from the fixed pay the value of lodging and food furnished. I understood the answer of the Senator from California to be that it would.

Mr. KUCHEL. My amendment is not so drawn that it specifically provides that. It refers to the present law, which does precisely provide that. The present law——

Mr. HOLLAND. The pending bill.

Mr. KUCHEL. Let me read from the report. I read from page 19:

> Room, board, and other facilities customarily furnished employees by employers are "wages" according to their fair value or reasonable cost as provided for in section 3(m) of the act.

The "act" refers to the present law.

Mr. President, I now yield 5 minutes to the able Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 5 minutes.

Mr. WILLIAMS of New Jersey. Mr. President, I do not want to embarrass the chairman of the Labor Subcommittee, but I have been most impressed with the full knowledge and eloquence which he has brought to this debate. I am proud to serve on that subcommittee. I am proud of my chairman. But I am proud, too, to support the minority side, on this amendment as expressed by its second in command, the Senator from California [Mr. KUCHEL].

Mr. President, agriculture is a core activity in the economy of this country. For the life of me I have not been able to understand the reasons why agriculture has been so backwardly treated when it comes to economic and social legislation for its workers.

I mentioned in our brief discussion with the Senator from Florida [Mr. HOLLAND], that I would quote from the 1938 debate on the Fair Labor Standards Act. I now quote Representative J. Mark Wilcox on the floor of the House of Representatives, when he said during that debate:

> Now it is most remarkable that a measure purporting to be in the interest of the underpaid working people of the country should exempt from its operation so many groups and classes of workmen...
>
> The framers of this bill have been very careful to provide that it shall not apply to agricultural labor. God knows if there is any class or group of people in America who are underpaid and whose very existence is made unsafe and uncertain both by man and by nature it is that group who must depend upon agriculture for a livelihood.

It was at that time that the decision was made not to include agricultural labor under the Fair Labor Standards Act of 1938. Indeed, I think the proposal before us today represents the first time that a determined effort has been made over this long period of two decades to include agriculture. And what have we done with the bill with reference to this subject? We have included only 1.6 percent of the farms of the land. We have excluded hand-harvests workers who were employed on a piece-rate basis. We have excluded and excluded. We have excluded all but those that are substantial producers of farm products. I think, and the Senator from Texas will correct me if I am in error, we have included only those who would be considered in agriculture as being big business.

Mr. YARBOROUGH. The Senator is correct.

Mr. WILLIAMS of New Jersey. In the 20-year period, from 1946 to date, I do not know what the total national contribution has been to the agricultural community. But I believe that in 1946 the Commodity Credit Corporation was started. I do not know how many billions of dollars we have put into it to make big business possible in agriculture. I have supported farm programs that have made it possible for us to take, on loan, surpluses to keep agriculture stable.

This is not a disadvantaged industry by any means. I am sure the senior Senator from Louisiana [Mr. ELLENDER] has figures showing how much money has been placed into these programs. The large amounts that people living both in the cities and on the farms have contributed to this program which makes it possible for us to have the most vital and dynamic agricultural community in the entire world.

We have had $6 billion years in agriculture, and this program has been going on since 1946.

Now, here is the other side of the coin. Notwithstanding the national contribution to agriculture, the fact is that the average farmworker earns under $8 a day and is employed, on the average, for 150 days during the year. His average annual income has been less than $1,000; and even after Public Law 78 was terminated by Congress, the amount of a farmworker's wages, in an average basis, amounts to only $1,200.

As far as farm income between 1940 and 1964 is concerned, farm income has increased from $11.1 billion to $42.2 billion.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield 2 additional minutes on the bill to the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. Between 1949 and 1965—and this is comparing dollars—the real income to the farmer, allowing for the increase in the cost of living, has gone up by 40 percent.

I could go on reciting figure after figure. We have a healthy agricultural economy in this country, and the only individuals not benefiting from it are those who bring in the crops.

So, Mr. President, I support the amendment offered by the Senator from California [Mr. KUCHEL] to bring farmworkers under the same minimum wage rates as all other workers newly covered by this bill—$1.60 an hour after 5 years.

The purpose of minimum wage legislation is to provide a minimum living wage under which employees' salaries shall not fall. For too long we have discriminated against our Nation's farmworkers by not providing them with this basic social benefit. Now, as we for the first time legislate to bring agricultural workers within minimum wage coverage, we are again discriminating against our Nation's farm laborers by providing them with a different and less effective method of coverage. Any rationale for such discrimination has long since disappeared.

Agriculture is no longer the family farm operation that it was at the turn of the century. Rapid mechanization and increased growth in the size of our Nation's farms has in many ways made agriculture similar to our Nation's other large industries.

For example, between 1940 and 1965, the size of the average American farm increased from 175 acres to 342 acres. The value of assets used in agricultural production on the average farm increased from $6,000 in 1949 to $60,000 in 1965.

Gross farm income between 1940 and 1964 increased from $11.1 to $42.2 billion. Between 1949 and 1965, the average farmer received a 40-percent gain in real income after allowing for the rise in the cost of living. Yet the average farmworker today still earns a daily wage of under $8, this is only slightly more than the hourly average wage of some skilled tradesmen in this country and certainly well below the minimum poverty level.

While there has been a substantial increase in wages over the last 2 years due mainly to the elimination of the bracero program, 70 percent of our Nation's farmworkers still earn less than $1.25 an hour, 40 percent less than $1 an hour, and 34 percent less than 75 cents an hour. Hourly average earnings in agriculture were $1.01 an hour on July 1, 1966, but in some States the average falls below 60 cents an hour. The fact that the average farmworker is employed for less than 150 days during the year further aggravates this situation.

Certainly, no other segment of our population is so poorly paid, yet contributes so much to our Nation's health and welfare.

Even more shocking is the realization that the gap between agricultural and nonagricultural earnings has widened during the post-World War II period.

Between 1947 and 1964, hourly wages in agriculture increased only 64 percent while wages jumped 108 percent in retail trade, 107 percent in manufacturing and 131 percent in contract construction.

More out of kilter, however, is the fact that the basic free enterprise principle of rewarding worker productivity, seems not to have caught on in farm economics. Output per man-hour in agriculture was 2.7 times as great in 1964 as in 1947, while in nonagricultural industries it was 1.6 times as great. One American farm-

worker feeds more than 2½ times the number of people he did 20 years ago. And the increased worker productivity of U.S. industry has been outstripped by agriculture by 2½ times.

With increased worker productivity and farm profits and production reaching all-time highs, it is indeed ironic that the Senate has before it a minimum wage bill which for the first time covers agricultural farm workers, yet covers them at a rate which does not even guarantee an income of $3,000 a year, our Nation's poverty level.

Some have stated that if this amendment were passed the farmer would either be forced out of business by increased costs or be forced to pass these costs on to the consumer causing higher food prices. Nothing could be further from the truth.

As I have previously mentioned, farm income and production are today at all-time highs.

Moreover, food today is one of the biggest bargains on the market for the American consumer. For the years 1947 through 1949 actual food expenditures took up 26 percent of the average family income. By 1963 this figure had reached a low of 19 percent. For the years 1964 and 1965, only 18.5 percent of the average family budget was spent on food expenditures.

Farm labor costs are only a small part of the retail price paid for food by the consumer. Last year when farm wages had their greatest increases of the decade, food prices remained relatively stable. Grapes and carrots were at 5-year lows, and California oranges and lemons at 4-year lows. The average price of dried fruits and vegetables, in August of last year, were down 14.2 percent from those of August 1965.

Illustrative of the low labor costs involved in the production of our Nation's foods is that for a head of lettuce which has a retail price of 21 cents, the field labor cost is 1 penny, on a pound of celery retailing for 15½ cents a pound, the cost of field labor is 0.3 to 0.5 cent, and on lemons retailing at 24 cents a pound, the field labor costs are 0.6 to 1 cent.

With labor costs such as these, our Nation's farm economy can certainly afford to bring its workers out of their abject poverty by paying higher wages. The services which these workers perform by providing us with our bountiful harvest of fruits and vegetables should be rewarded with wages which will allow them to live in dignity and decency.

As Secretary of Labor Wirtz stated before the Migratory Labor Subcommittee on July 7, 1965:

> Every industry is different from every other industry. But there are basic similarities, and the time for denying this as far as agriculture is concerned is passed. There may have been sounder reasons in some earlier period for the arguments that agriculture deserves, for some unidentified reason, a government guaranteed foreign labor supply, that normal personnel policies don't apply here, that the farm produce market won't support fair wages, that farm employment must be excluded from the coverage of laws regarding employment generally. But if there were once good reasons for these attitudes, they are now covered deep with history's dust.

I not only commend the Senator from California [Mr. KUCHEL] for offering this amendment, I applaud him.

Mr. KUCHEL. Mr. President, I yield 1 minute to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I shall support the amendment of the Senator from California. I did not support a similar amendment in committee because I did not feel a case had been made for it there. But having studied the facts and figures, and recognizing the facts that apply to factory and farmworkers, in essence, I think there ought eventually to be parity as between the minimum wage in the cities and the minimum wage on farms.

There is no provision in the amendment for overtime. There is a piecerate exemption.

For all these reasons, the objective ought clearly to be stated in the law that it is the intention of Congress to provide parity so far as farmworkers are concerned. Hence, I shall support the amendment.

Mr. KUCHEL. I yield 2 minutes to the Senator from New York [Mr. KENNEDY].

Mr. KENNEDY of New York. Mr. President, I support the substitute offered by the Senator from California [Mr. KUCHEL]. I support it, first because it would defeat the proposal of the Senator from Florida [Mr. HOLLAND] to eliminate the farmworker coverage from the bill, a proposal which I strongly oppose; and, second, because it would have the equitable effect of bringing the treatment of farmworkers into line with that accorded other newly covered workers.

The provisions for farmworkers in the bill are actually very limited and very modest in scope, and, in my judgment, long overdue. President Roosevelt, for example, called for coverage of farmworkers in his message transmitting the proposal for the original Fair Labor Standards Act to the Congress in 1937.

Now, nearly 30 years later, when agriculture has become a far more mechanized, far more prosperous, far more commercial enterprise, we are finally getting part way around to doing what President Roosevelt called for.

I emphasize part way. The fact is that the minimum wage coverage for farmworkers in this bill will affect only a little over 1 percent of the Nation's farms. It will affect farms with seven or more full-time employees, and a farm of that size is quite a commercial enterprise.

And the pay which this provision guarantees to the 390,000 workers on the 1 percent of the farms affected is not going to make anyone rich. The initial coverage which Senator HOLLAND would eliminate, and which the Kuchel substitute would save, is only $1 an hour. This will guarantee the great sum of $40 a week—$2,080 a year to the man who is fortunate enough to work all year. Thus the Senator from Florida would eliminate from this bill a guarantee of a wage which itself does not even rise to the poverty level. The problem with the farmworker provisions of this legislation is not that they are too extensive but that they are not extensive enough.

For example, the agricultural workers are not even scheduled to receive the full $1.60 rate that other newly covered workers will receive by 1971. The rate for agricultural workers is scheduled to rise to $1.30 in 1969, but no further increase is provided. Senator KUCHEL'S substitute would remedy this particular inequity. It is one of the proposals which Senator WILLIAMS of New Jersey and I made in subcommittee to make the coverage of farmworkers more adequate, and I am glad to support it on the floor. It would bring a measure of equity to the treatment accorded farmworkers, giving them what other newly covered workers will receive, which seems only just.

Although the farmworker coverage in the bill is minimal in scope, it is nevertheless worthwhile, for it will improve the conditions under which some of our farmworkers toil. Last year farmworkers who worked only on farms during the year earned an average of $689 for the entire year. They worked only 100 days on the average. Workers who had a little nonfarm work in addition had an average income of $1,379. These wages are intolerable for a Nation as wealthy as ours. Thirty-four percent of the farm workers around the country were paid less than $0.75 an hour last year. $0.75 an hour is $30 a week, $1,560 a year. In some States, the average wage for farm workers was less than $0.60 an hour. To guarantee a dollar on those large farms which are really commercial enterprises seems to be a modest proposal indeed.

And if there was any justification for not including farm workers in past years, it no longer applies. Agriculture, particularly on farms of the size covered by this bill, is now a mechanized industrial enterprise, and there is no reason to have inferior labor standards in such a situation.

Over the years, while we have neglected the conditions under which farm laborers work, they have been falling further and further behind their counterparts in the nonagricultural occupations.

Between 1947 and 1964, for example, hourly wages in agriculture increased 64 percent, while in the retail trades wages rose 108 percent, 107 percent in manufacturing and 131 percent in contract construction. In dollar figures, an average worker in manufacturing earns $2.66 an hour, in the production of durable goods, $2.84 an hour, and in nondurable goods, $2.04 an hour. An average farm worker now earns $1.01 an hour.

I believe the modest coverage contained in this legislation is the least we can do to begin bringing the long-neglected farm worker into some kind of share in the great wealth which our Nation has accumulated. I urge the Senate to adopt the substitute proposed by the Senator from California and thereby reject the amendment of the Senator from Florida.

Mr. KUCHEL. I yield back the remainder of my time.

Mr. YARBOROUGH. I yield back the remainder of my time. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, do I correctly understand that the first vote will come on the amendment in the nature of a substitute offered by the Senator from California?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. Whatever results from that vote will then determine whether there will be a vote on the Holland-Ellender amendment?

The PRESIDING OFFICER. There will be a vote on the Holland-Ellender amendment whether it be amended or not.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the affirmative). Mr. President, on this vote I have a pair with the distinguished Senator from Alabama [Mr. SPARKMAN], who is absent on official business. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. NELSON (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Florida [Mr. SMATHERS]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. LONG of Louisiana. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. LONG], the Senator from Montana [Mr. METCALF], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from California [Mr. MURPHY] are absent because of illness.

The Senator from Idaho [Mr. JORDAN] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Idaho [Mr. JORDAN], and the Senator from Wyoming [Mr. SIMPSON] would each vote "nay."

The result was announced—yeas 22, nays 64, as follows:

[No. 222 Leg.]

YEAS—22

Case	Kennedy, Mass.	Pell
Clark	Kennedy, N.Y.	Proxmire
Douglas	Kuchel	Ribicoff
Fong	Magnuson	Tydings
Hart	McGee	Williams, N.J.
Inouye	Moss	Young, Ohio
Jackson	Neuberger	
Javits	Pastore	

NAYS—64

Aiken	Ervin	Morton
Allott	Fannin	Mundt
Anderson	Fulbright	Muskie
Bass	Gore	Pearson
Bayh	Griffin	Prouty
Bible	Harris	Randolph
Boggs	Hickenlooper	Robertson
Brewster	Hill	Russell, S.C.
Burdick	Holland	Russell, Ga.
Byrd, Va.	Hruska	Saltonstall
Byrd, W. Va.	Jordan, N.C.	Scott
Cannon	Lausche	Smith
Carlson	Long, La.	Stennis
Church	McCarthy	Symington
Cooper	McClellan	Talmadge
Cotton	McGovern	Thurmond
Curtis	McIntyre	Tower
Dirksen	Miller	Williams, Del.
Dodd	Mondale	Yarborough
Dominick	Monroney	Young, N. Dak.
Eastland	Montoya	
Ellender	Morse	

NOT VOTING—14

Bartlett	Jordan, Idaho	Nelson
Bennett	Long, Mo.	Simpson
Gruening	Mansfield	Smathers
Hartke	Metcalf	Sparkman
Hayden	Murphy	

So Mr. KUCHEL's amendment was rejected.

Mr. YARBOROUGH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay the motion on the table.

The motion was agreed to.

INCOME TAX TREATMENT OF EXPLORATION EXPENDITURES IN THE CASE OF MINING

Mr. LONG of Louisiana. Mr. President, I ask that the Chair lay before the Senate a message from the House on H.R. 4665, a bill relating to the income tax treatment of exploration expenditures in the case of mining.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 4665) relating to the income tax treatment of exploration expenditures in the case of mining and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. LONG of Louisiana. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LONG of Louisiana, Mr. SMATHERS, Mr. ANDERSON, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

FAIR LABOR STANDARDS AMENDMENTS OF 1966

The Senate resumed the consideration of the bill (H.R. 13712) to amend the Fair Labor Standards Act of 1938 to extend its protection to additional employees, to raise the minimum wage, and for other purposes.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Florida.

Mr. YARBOROUGH. Mr. President, all time has been yielded back in opposition to the amendment of the Senator from Florida which would strike the provisions with respect to agricultural workers from the bill.

Mr. HOLLAND. Mr. President, I yield myself 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. Mr. President, I call attention to the fact that there were 22 votes to put agricultural labor on parity with industrial labor. There were two live pairs. That makes 24 votes for that position.

If there is any better showing required that there is already sentiment existing to put agricultural labor on comparable rates with industrial labor, we have had that demonstrated here in the last few minutes.

I hope that the amendment can be agreed to.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. YARBOROUGH. Mr. President, I yield myself 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 minute.

Mr. STENNIS. Mr. President, will the Chair restore the Senate to order?

The PRESIDING OFFICER. There will be order in the Senate.

Mr. YARBOROUGH. Mr. President, I point out that the amendment of the Senator from Florida would strike all agricultural labor from the protection afforded by the bill. The agricultural labor that would be covered under the bill involves only 1.6 percent of the farms in the country, 98.4 percent of the farms in the United States are exempt under the pending bill. That 1.6 percent of the farms in the country employ 390,000 farm laborers.

It is the position of the House and of the committee that we should support this very modest provision in the bill to give protection to some agricultural workers. Since the Kuchel amendment has been rejected, it would go only to $1.30 and stop there.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. YARBOROUGH I was about to yield back 20 seconds.

I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, can the Senator from Texas guarantee that if this measure becomes law there will not be a further encroachment on the little fellows which will crush them to death?

Mr. YARBOROUGH. We are not seeking to crush them to death. This involves only 1.6 percent of the farms all over America. This is a bill to protect the small farmers and put them in a competitive position.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Florida. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished

Senator from Alabama [Mr. SPARKMAN]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. LONG of Louisiana. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Alaska [Mr. GRUENING], The Senator from Missouri [Mr. LONG], the Senator from Montana [Mr. METCALF], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE], and the Senator from Arizona [Mr. HAYDEN] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from California [Mr. MURPHY] are absent because of illness.

The Senator from Idaho [Mr. JORDAN] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Idaho [Mr. JORDAN], and the Senator from Wyoming [Mr. SIMPSON] would each vote "yea."

If present and voting, the Senator from California [Mr. MURPHY] would vote "nay."

The result was announced—yeas 37, nays 51, as follows:

[No. 223 Leg.]

YEAS—37

Allott	Fannin	Robertson
Bass	Fulbright	Russell, S.C.
Boggs	Hickenlooper	Russell, Ga.
Byrd, Va.	Hill	Scott
Carlson	Holland	Smathers
Cooper	Hruska	Stennis
Cotton	Jordan, N.C.	Talmadge
Curtis	Lausche	Thurmond
Dirksen	Long, La.	Tower
Dominick	McClellan	Williams, Del.
Eastland	Morton	Young, N. Dak.
Ellender	Mundt	
Ervin	Pearson	

NAYS—51

Aiken	Hart	Moss
Anderson	Inouye	Muskie
Bayh	Jackson	Nelson
Bible	Javits	Neuberger
Brewster	Kennedy, Mass.	Pastore
Burdick	Kennedy, N.Y.	Pell
Byrd, W. Va.	Kuchel	Prouty
Cannon	Magnuson	Proxmire
Case	McCarthy	Randolph
Church	McGee	Ribicoff
Clark	McGovern	Saltonstall
Dodd	McIntyre	Smith
Douglas	Miller	Symington
Fong	Mondale	Tydings
Gore	Monroney	Williams, N.J.
Griffin	Montoya	Yarborough
Harris	Morse	Young, Ohio

NOT VOTING—12

Bartlett	Hayden	Metcalf
Bennett	Jordan, Idaho	Murphy
Gruening	Long, Mo.	Simpson
Hartke	Mansfield	Sparkman

So Mr. HOLLAND'S amendment was rejected.

Mr. YARBOROUGH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS—ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. JAVITS. Mr. President, I yield myself 1 minute on the bill.

I yield myself the time to ask the majority leader as to his desires. I am prepared to lay down the child labor amendment and make it the pending business. I am not prepared to debate it tonight. I should like the majority leader to give us his wishes.

Mr. MANSFIELD. Mr. President, in response to the question of the distinguished senior Senator from New York, there will be no more votes tonight, because I think we are all pretty tired.

However, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER (Mr. BYRD of Virginia in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. For the information of the Senate, there will be no morning hour, and at 10 o'clock, at the conclusion of the prayer and the reading of the Journal, we will go directly on the bill and the Javits amendment, which I understand will be the pending business at that time.

Mr. JAVITS. Mr. President, I call up my amendment No. 759 and ask unanimous consent that debate on it may be suspended until tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered. The amendment will be stated.

Mr. JAVITS. Mr. President, I ask unanimous consent that the reading of the amendment may be dispensed with but that it be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 759) is as follows:

On page 43, strike out lines 14 through 17 and insert in lieu thereof the following:

"(c) (1) The provisions of section 12 relating to child labor shall not apply to any employee employed in agriculture outside of school hours for the school district where such employee is living while he is so employed, if such employee—

"(A) is employed by his parents, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person, or on a neighboring farm, as defined by the Secretary of Labor, or

"(B) is fourteen years of age or over, or

"(C) is twelve years of age or over and is employed on a farm to which he commutes daily within twenty-five miles of his permanent residence, and (i) such employment is with the written consent of his parent or person standing in place of his parent, or (ii) his parent or person standing in place of his parent is also employed on the same farm. The Secretary may by regulation prescribe maximum working hours and other conditions for the protection of the health and safety of children employed pursuant to this subparagraph (C)."

INTEREST RATES AND INFLATION

Mr. GORE. Mr. President, one of the most persistently consistent factors contributing to the inflation we are now experiencing is the rise in corporate profits. With variations in depreciation, and other bookkeeping gimmicks, the best measure of corporate well-being is profits plus capital consumption allowances.

In 1960, profits after taxes plus allowances amounted to $51.6 billion. By 1965, this figure had risen to $80.8, and is now running at about $87.2 billion. This represents an increase, over the short span of 5 or 6 years of some 69 percent. It should be noted that a very significant portion of this increase in corporate profits is attributable to tax reduction, investment tax credit and accelerated depreciation.

With corporate health so clearly robust, many questions are being asked about the odd behavior of the stock market.

Many economists think a great many economic decisions are psychologically based. In any event, there is much uncertainty about the future course of the economy and of Government actions affecting the economy.

The indicators of economic health, it should be realized, are mixed. As I have just said, corporate profits and dividends continue to rise sharply. The stock market has recently suffered sharp declines. Total industrial activity continues brisk, but certain segments, notably housing starts and automobile sales, have fallen off badly.

I think it is generally realized that high interest rates cannot really regulate the economy. Reliance upon high and higher interest rates to curb inflation has brought imbalances and inequities.

Everyone is waiting for the President, with the power and prestige of the Office of President, backed up as he is by the wealth of talent in the Council of Economic Advisers, the Treasury Department, various agencies with credit and debt management functions to provide the leadership that is needed and necessary to bring down usurious interest rates. The acuteness of the need for such Presidential leadership is illustrated by the fact that Johnson interest rates are now higher than Hoover rates, higher now that at any time in 45 years.

Time is fast running out for any meaningful action to be taken before Congress adjourns this year. The President had an opportunity yesterday at his news conference to take and to announce his arrival at some hard decisions. He passed. He settled for platitudes, mild admonitions, and an indefinite reference to congressional action. He chose to ignore the Truman maxim, "The buck stops here." But there is yet time for action. Without action both interest rates and the cost of living will further rise, bringing hardship in their wake.

Mr. President, the time is short, but there is yet time to act.

ACHIEVING PEACE IN VIETNAM

Mr. PELL. Mr. President, former Ambassador Anthony B. Akers, an experienced individual in the field of diplomacy and a distinguished and thoughtful man, has developed a memorandum concerning the possibility of achieving a

peaceful and generally acceptable solution to the Vietnam problem.

I believe that his memorandum might be of interest not only to our country but to other countries. In any case, I am sure it will interest my colleagues and for this reason I ask unanimous consent to have it printed in the RECORD.

I believe this approach is a worthwhile one and that the Akers proposal should be followed to its logical conclusion. Both as an old friend of Mr. Akers and as an American, I wish him every success in his efforts.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM: PROPOSED COURSE OF ACTION FOR THE UNITED NATIONS IN RE VIETNAM, AUGUST 3, 1966

I. PREFATORY COMMENT:

North and South Vietnam combined comprise 127,000 square miles and more than 34 million people supported essentially by a rice-growing economy based on ancient and traditional social systems evolved by a people identifiable 2000 years ago.

In the same year, 1945, that the United Nations was founded, there began in Vietnam the fateful struggle which soon flared into open warfare. Even before that date Vietnam had become a war torn area, occupied by the Japanese in 1940. For more than a quarter century, therefore, the tides of violence in Vietnam have ebbed and flowed across the headlines of the world. Most of the major powers have been involved in either principal or ancillary roles at one time or another. So have several small nations.

Although the struggle in Vietnam has paralleled the life of the United Nations, that body has been neither willing nor seemingly able to influence the course of events there.

From 1945–54 the Vietnamese struggle centered on the issue of colonialism and the political question of self-determination. After the defeat of French military forces at Dienbienphu, the cease-fire and Geneva Accords of 1954 ended colonialism and divided Vietnam into North and South with provisions for subsequent elections. Such elections were not held in either South Vietnam or in North Vietnam.

Since 1954 the struggle, often brutal and cruel in character, has found its focus in South Vietnam between forces vying for control of South Vietnam. Each side has received and is receiving external assistance. More recently the conflict has been brought into North Vietnam, especially through air-bombing.

II. PRINCIPLE OF UNITED NATION'S INTERVENTION

Conciliation is the keynote to successful intervention by the United Nations in the Vietnamese struggle. The United Nations cannot intervene with success if it attempts to deal with charges and counter-charges of "aggression" or attempts to censure or to assess responsibility for the present situation in Viet Nam. It is imperative that the United Nations function strictly as a mediatory framework which looks only forward—toward peaceful solution. If it is to succeed in Viet Nam, the United Nations must adhere strictly to its most basic purpose: serving as an international framework of last resort to which appeal can be made above the intense fervor of political passion and continuing military combat.

The United Nations must encourage negotiations, and, if that does not succeed, it must then invoke the ballot box of the electoral process in the cause of self-determination.

Although the keynote is conciliation, there exists much persuasive power in the "cleansing, clarifying and compelling" influence of the bright glare of the "world spotlight" shining with continuous intensity on the Vietnamese situation.

With a reasonable proposal for settlement subject to reasonable modifications spelled out in detail beforehand, obstructionism would soon become apparent to the entire world in such a cleansing intensity of light from the very first step through final settlement.

III. THE QUESTION AT ISSUE AND THE UNITED NATIONS CHARTER

Irrefutably the central question at issue in Vietnam, admitted by both sides, is the political question involving the inherent right of the people of South Vietnam to determine their own fate. Irrefutable, also, is the clarity of intent and meaning of the "Purposes and Principles" of the United Nations Charter set forth in Article 1 as follows:

1. To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace.

2. To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace;"

IV. THE THREAT TO PEACE AND THE UNITED NATIONS OBLIGATION

It is self-evident that the Vietnamese situation now constitutes, and for an extended period of time has constituted, a clear and continuing threat to international peace. It follows, therefore that the United Nations has an obligation and enduring responsibility under its Charter to remove such an obvious threat to world peace and actively to participate in the settlement of the Vietnamese struggle.

Neither North nor South Vietnam is a member of the United Nations. In this matter Section 6 of Article 2 of the United Nations Charter provides jurisdiction:

"6. The Organization shall ensure that states which are not Members of the United Nations act in accordance with these Principles so far as may be necessary for the maintenance of international peace and security."

It is not enough for the United Nations to attempt to use its "good offices" to stop the fighting and to encourage negotiations. The Secretary General and member nations already have offered these placatory measures.

It now becomes the solemn obligation of the United Nations actively to intervene.

V. TWO PROPOSED COURSES OF ACTION FOR THE UNITED NATIONS

The two courses set forth below call for immediate initiation of action by the United Nations. Course A is aimed toward the logical first step of negotiation, and course B is based on self-determination through the electoral process. The failure of Course A leaves no productive alternative except to invoke immediate pursuit of Course B.

Course A: 1. The Secretary-General and/or the Security Council shall summon a conference of representatives of the governments of all member nations of the United Nations which would be entitled, as Asiatic-Pacific countries, to membership in a "regional arrangement" or "regional agency" convoked for the purpose of considering the Vietnamese problem under Chapter VIII ("Regional Arrangements") of the Charter of the United Nations. To such conference the Secretary-General and/or the Security Council also shall summon: (a) the principals in the Vietnamese conflict; and, (b) all other Asiatic-Pacific nations not now members of the United Nations which would be entitled to membership in such a "regional arrangement" if such nations were now members of the United Nations.

2. Upon the convocation of such conference the Secretary-General and/or the Security Council shall declare that the Vietnamese situation constitutes a grave threat to international peace and world order and shall call for a cease-fire in Vietnam to be followed immediately by negotiations "without prior conditions" between the principals.

3. Such conference would proceed to establish an "ad hoc Regional Agency" made up of members and non-members of the United Nations. Such agency then would proceed to oversee negotiations between the principals of the Vietnamese conflict.

If course A does not succeed in a timely manner, then, either through such "ad hoc Regional Agency" or otherwise, Course B shall be invoked with dispatch.

Course B: 1. "Quarantine Cordon of Peace"—Under the peace-keeping mandate of the Charter, the United Nations not only has the right but the obligation and moral duty to prevent and remove threats to the peace. Furthermore, when the principal question at issue relates to the right of a people to determine their own fate and such issue is conjoined with military action which gravely has threatened international peace for an extended period of time, and repeated attempts to initiate negotiations between the principals have failed, then it becomes clearly obligatory upon the United Nations to ring such a region with a "Quarantine Cordon of Peace", and to proceed with all deliberate speed to provide an appropriately supervised electoral framework in order that self-determination may take place.

2. It is proposed, therefore, that the United Nations proceed at once through the Security Council and/or the General Assembly as follows:

(a) Declare that the conflict in Vietnam now constitutes a grave and constantly recurring threat to international peace.

(b) Declare that a United Nations team is being dispatched to both North and South Vietnam for the purpose of informing the governments of the belligerents that the United Nations has decreed that the Vietnamese conflict now constitutes a grave and constantly recurring threat to international peace and world order; and that the United Nations calls upon the government of North Vietnam and its allies and the government of South Vietnam and its allies to enter at once upon a cease-fire under the following conditions:

(1) Simultaneously with the cease-fire the United Nations shall mandate a "Quarantine Cordon of Peace" coterminal with the borders of South Vietnam and extending three miles on each side of such borders.

(2) Within a 40-day period dating from the cease-fire all foreign and non-resident military personnel shall be removed outside the borders of South Vietnam except military personnel designated by the United Nations for peace-keeping purposes.

(3) The United Nations immediately shall begin establishment of a framework for the supervision of elections in South Vietnam to be held 180 days from the date of cease-fire. Such elections shall be held by secret ballot for all offices of a national constituent legislative body, and for at least a chief executive officer and deputy chief executive. During the interim 180 day period South Vietnam shall be declared a "Peace Zone" under a special international "Interim Committee" of the United Nations. The integrity of such "Peace Zone" shall be guaranteed by armed units designated by the United Nations. Such "Interim Committee" administrative framework shall regularly consult

with a "Consultative Assemblage" composed of fifteen citizens of South Vietnam. This "Consultative Assemblage" membership shall be representative as far as possible, of all the sections of the South Vietnamese people, and the members shall be designated by the Secretary-General immediately upon effectuation of a cease-fire.

(4) One year after the duly elected government of South Vietnam shall have assumed office, South Vietnam and North Vietnam shall be invited to become members of the United Nations.

(5) The question as to whether South Vietnam and North Vietnam shall be reunited shall be postponed for a period of twelve years from cease-fire at the end of which time elections shall be held separately in each country to determine the will of the electorate in each country in this matter. Such elections at the end of twelve years shall be ordered by the government of each country and shall be overseen by United Nations teams of observers. In the alternative the two then duly constituted governments of South Vietnam and North Vietnam may negotiate the question of reunification at the end of such twelve year period.

(6) Concurrently with the cease-fire there shall be established a United Nations Neutrality Zone for Southeast Asia under the auspices of the United Nations. The following nations shall be invited to join: Thailand, Laos, North Vietnam, South Vietnam, Cambodia.

Those nations which join shall be declared neutral nations by the United Nations and their neutrality and territorial integrity guaranteed by the United Nations provided all foreign troops are removed from their territories within a 40 day period after joining the Neutrality Zone. Such neutral countries shall be permitted to continue limited alliances with other nations but shall not receive military assistance through such alliances.

VI. CONCLUDING COMMENT

It is urgent that the Vietnam question find its way on to the United Nations agenda immediately. It is enormously important that the United Nations have a definitive plan of action in mind when it considers the Vietnam question. There are, of course, several possible approaches to the problem. "Course A" and "Course B" mirror the broad meaning of the United Nations Charter.

These proposed courses of action have been drawn in full awareness of the difficulties inherent in implementation. The difference in the character of measures taken by the Security Council as compared to the General Assembly have been borne in mind, e.g. that the General Assembly cannot order but can only recommend, while the Security Council may order and enforce its order. Cognizance has been taken also of the fact that, as yet, the political will to have the United Nations assume such a role in the Vietnamese struggle has been either not present, or at least not marshalled effectively. Neither North Vietnam nor South Vietnam is a member of the United Nations. Furthermore, the most populous nation in the world, which is deeply involved in the Vietnamese conflict is not a member. In addition, a great power may elect to invoke the veto in the Security Council against even the inscription on the Council's agenda of any item relating to Vietnam. Those who would oppose such course of action may peremptorily state that the United Nations has no business in Vietnam because the situation is properly the concern of the Geneva Conference which has no connection with the United Nations. There are those who may restate the view that the United Nations has no right to examine the problem, or that United Nations action would be inappropriate, or that the "Purposes and Principles" of the United Nations Charter set forth merely general principles rather than more substantive obligations.

Technicians can while away weeks, months and years on the meaning of the same words in different contexts or on the differing legal interpretations of similar actions as employed by varying agencies of the United Nations.

In the meantime men, women and children are being killed in a war which hopefully could be terminated through a collective will to act on the part of member nations of the United Nations.

It would be difficult to find phrases more descriptive of the United Nations purposes than "to maintain international peace" and "self-determination of peoples." The entire universe is now aware that Vietnam constitutes a continuing threat to world order—the kind of threat which may lead to universal conflagration. The principals in the Vietnamese struggle readily concede that the basic question at issue is that of the right of the people of South Vietnam to determine their own fate.

In such situation there should exist an avenue of appeal to some supreme international authority, as far removed as possible from political passions, which can function in a mediatory or conciliatory capacity. The United Nations must serve such purpose until a better framework is created.

What has become of the promise of San Francisco in 1945 which began:

"We the peoples of the United Nations determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind . . . ?"

On June 30, 1936 Haile Selassie made a memorable address before the Assembly of the League of Nations pleading for the League's intervention, which was not forthcoming. The League subsequently failed and World War II followed shortly thereafter. The last words of Haile Selassie's fervent pleas ever since have haunted mankind:

"Representatives of the world . . . What answer am I to take back to my people?"

Wars, and their scope and force have progressed trigonometrically since that time. In the event of nuclear holocaust no man on earth can be safe.

Today the question could be better phrased:

"Representatives of the world . . . what answer shall all of us take back to all our peoples?"

TOP STATE DEPARTMENT POSTS

Mr. CLARK. Mr. President, this morning's New York Times contains an article written by Richard Eder, entitled "Johnson Weighs Appointments to Top State Department Posts."

I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. CLARK. Mr. President, of course, this article is pure speculation, but I must say that some of the names mentioned for high positions in the State Department send chills down the backs of a number of members of the Committee on Foreign Relations, to whose attention I have brought the article.

Those of us interested in peace and international cooperation are gravely concerned at some of the nominations pending before the Committee on Foreign Relations of individuals of complete integrity and highly skilled but who would, apparently, rather fight than switch.

I have no doubt that if further names come before the Senate for its advice and consent with respect to confirmation, the hearings in the Committee on Foreign Relations will be sufficiently extensive to develop to what extent these gentlemen are hard liners or are, on the contrary, interested in minimizing the conflict between East and West and in moving forward through the orderly development of international institutions toward the cause of peace.

Mr. President, I am confident, at least with respect to one of the nominations now pending before the Committee on Foreign Relations, that there will be extensive debate on the floor of the Senate with respect to whether the individual—who is gentleman of great ability and high integrity—nevertheless, represents so obsolete an attitude toward foreign policy that his confirmation might be inadvisable.

EXHIBIT 1

[From the New York Times, Aug. 25, 1966]

JOHNSON WEIGHS APPOINTMENTS TO TOP STATE DEPARTMENT POSTS

(By Richard Eder)

WASHINGTON, August 24.—President Johnson said today that he was nearing a decision on restaffing the rapidly emptying top echelon of the State Department, but gave no hint as to his choices.

The President announced at his news conference that he had "tentatively selected" a successor to Thomas C. Mann, who resigned in April as Under Secretary for Economic Affairs, the department's third-ranking post. [Question 16, Page 18.]

Mr. Johnson said that he would probably not disclose his choice until after U. Alexis Johnson, who ranks fourth in the department as Deputy Under Secretary for Political Affairs, was confirmed by the Senate as Ambassador to Japan.

Saying that "there will be several announcements there" the President appeared to indicate that he would announce the Deputy Under Secretary's successor at the same time.

The President said that there would be one or two other vacancies to be filled "below the Secretary of State." He thus foreshadowed the impending resignation of Under Secretary George W. Ball, and gave substance to reports that William J. Crockett, Deputy Under Secretary for Administration, was planning to leave the department.

The President also announced the nomination of John S. Hayes, a broadcasting executive, as Ambassador to Switzerland. One or two other ambassadorial appointments will be announced, he said, as soon as the countries to which the prospective ambassadors are destined have accepted them.

Mr. Johnson's disclosure that he had a candidate to fill one of the State Department's under secretaryships sharpened speculation here as to what the department's complexion would be once he had completed its most extensive reshuffling in many years.

Mr. Johnson's reference to changes below the secretary level made it clear that he intended to keep Dean Rusk where he is. The changes involve the three top policy posts under Mr. Rusk, and, if Mr. Crockett leaves, the top administrative post as well.

It is considered virtually certain that Alexis Johnson, who coordinates state operations in Vietnam and other critical areas with those of agencies such as the Defense Department and the Central Intelligence Agency, will be succeeded by a career Foreign Service officer. It is believed likely that a career officer will also fill the second under secretaryship—that formerly held by Mr. Mann.

Although speculation has ranged widely, the men most commonly mentioned for the two jobs—with no clear estimate of which man would get which job—are Lucius D. Battle, now Ambassador to the United Arab Republic, and Douglas MacArthur 2d, who is Assistant Secretary for Congressional Relations.

Two other names mentioned frequently, but somewhat less insistently, are those of William P. Bundy, Assistant Secretary for Far Eastern Affairs, and Ridgway B. Knight, Ambassador to Belgium.

The most important choice, however, and one about which there is little informed speculating, is that of a successor to Under Secretary Ball.

There has been something of a tradition of choosing an Under Secretary whose views and style complement, if they do not contradict, those of the secretary.

Mr. Ball, for example, has argued for a more flexible policy on Vietnam than that advocated by Mr. Rusk and he was an advocate of close European cooperation, a subject that Mr. Rusk tends to leave alone.

Clark Clifford, a foreign policy adviser to Presidents Truman, Kennedy and Johnson, was reportedly a strong choice for the post. His health is not good, however, and his appointment is now being discounted.

Observers here suggest that the President is looking for a candidate who will bring, if not actually a fresh approach, at least something of a fresh image to the department. They suggest further that he should have somewhat more appeal to liberals in the Senate and elsewhere than the battle-worn figure of Mr. Rusk does.

APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE—CONFERENCE REPORT

Mr. HART. Mr. President, I was unfortunately detained off the floor yesterday at the time the Senate adopted and thus cleared for the President the conference report on appropriations for the Department of Agriculture. If I could have been present, I would have liked to have made the following comment.

While overall the legislation as sent to the President has much to commend it, I am disappointed that cut from the bill was the amendment which I sponsored to provide an additional $2.5 million for school lunches in needy areas.

Mr. President, what disturbs me about this situation is that while we have been responsible in providing funds for the school lunch program as a whole—and this means lunches in suburbia and in the well-to-do neighborhoods as well as in the low-income areas—we are short-changing the schools in the poor areas where a high percentage of the children need the free or low-cost lunch. The able Senator from South Dakota [Mr. McGOVERN] inserted in the RECORD a most compelling example of the need and value of this effort when the amendment was being considered—RECORD page 15846. He reported on the Annunciation Grade School of Denver, Colo.

Our sense of values is open to question if we are not able to see the need for additional expenditure in low-income neighborhoods. The hearings being conducted by the Senator from Connecticut [Mr. RIBICOFF] have made a real contribution in given us an idea of the scope of the problems we face in our urban centers. We are going to have to reassess our commitments and realize the number of lives involved.

Section 11 of the school lunch program, which I sought to implement in more than token fashion, is designed to make a lunch available to children who need it and who otherwise would not get it. I regret exceedingly that we could not have held firm on the relatively small item whose omission will penalize the poorest of the Nation's children.

If we can provided for a supersonic transport and trips to the moon, and more money for defense than the Secretary of Defense asks, then we should increase our support for the school lunches in our areas of greatest need.

SENATOR NELSON WELCOMES REPUBLICANS AS SUPPORTERS OF HIS BILL, S. 2662

Mr. NELSON. Mr. President, it gives me great pleasure today to welcome a distinguished group of Republican Senators and House Members as supporters of some very promising legislation which I introduced more than 10 months ago.

It is unusual to get this kind of enthusiastic Republican support for legislation which has originated from Democratic sources.

It is especially unusual that the distinguished Congressmen and Senators, in their press conferences and their 15 pages of explanatory material are embracing one of the very creative ideas originally sponsored by Gov. Edmund G. (Pat) Brown of California.

The bill to which I refer is S. 2662, the Scientific Manpower Utilization Act of 1965, which I introduced on October 18, 1965, along with the Senator from Pennsylvania [Mr. CLARK] and the Senator from West Virginia [Mr. RANDOLPH].

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NELSON. I yield.

Mr. CLARK. Mr. President, I am delighted to hear that our Republican colleagues in the House, about a year and a half after the Senator from Wisconsin and I introduced this measure, have finally caught up with what might be referred to, without undue criticism, as an imaginative manner in which to handle this problem.

Mr. NELSON. They were joined by about 10 Senators on the other side of the aisle in this Chamber.

Mr. CLARK. It is always a great pleasure to the Senator from Wisconsin, as well as to me, to hear that 10 of our colleagues on the other side of the aisle are only about a year and a half behind us.

Mr. NELSON. I thank the distinguished Senator who allowed me to have the special committee about a year ago to undertake this problem.

Mr. President, in a press release which I issued on October 18, 1965, describing this bill, I said that its purpose was to use space-age know-how to solve social and economic problems. At the outset of this statement, I listed "traffic, pollution, and crime" as examples. My bill would authorize grants to States to make contracts with scientists and private research firms to develop new techniques for solving such problems through the use of modern computers, systems analysis, and systems engineering.

I was most pleased today to receive a release from the offices of 44 Republican House Members announcing that they are introducing legislation to use the modern systems management approach "to deal with the complex problems of modern society, such as water pollution, the growing crime rate, traffic congestion, and slum housing."

Similarly, I was delighted to receive a copy of a release on behalf of 10 distinguished Republican Senators which announces that they are introducing legislation "to put the latest scientific tools of management analysis to work for the benefit of all mankind."

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. NELSON. I yield.

Mr. DOMINICK. I was one of the sponsors of that bill. I am glad that it meets with the approval of the Senator. I hope that we can get action on it as soon as possible.

Mr. NELSON. I sincerely congratulate the Senator. When I introduced the bill last October we could not get bipartisan interest. That created a problem. It is vital and quite important to tackle the problem in a creative manner.

Mr. DOMINICK. I thank the Senator.

Mr. NELSON. Mr. President, if I have any objection at all to this kind of enthusiastic support for one of my most promising projects, it is limited mainly to the fact that my Republican friends describe this legislation as something new and revolutionary. In fact, they use it to reflect unfavorably on Democrats who they contend are not capable of such ideas.

For instance, the Republican House Members' release describes this legislation as "a revolutionary new concept," and as "an entirely new departure in American political thinking."

The Republican House Members, not content merely to boast of their own revolutionary spirits, go on to say that "the traditional problem-solving concept of government and the Democratic Party simply won't do the job any more."

The support of these Republicans should be extremely helpful in enacting the legislation which I introduced last October.

However, the public should understand that—as I made clear last year when I introduced my bill—this "revolutionary new approach" which they propose has already been extensively tested by Governor Brown in California. The preliminary studies and evaluation of this concept have been carried out in California, and they make a compelling case for applying the concept of systems analysis to the solution of complex human problems.

About 2 years ago, Governor Brown conceived the idea of using engineers of research companies who had done advanced work in space-age problems to seek solutions to some of the complex

economic and social problems facing our cities and our States.

Governor Brown made $400,000 available from a Governor's contingency fund for this purpose. Incidentally, I am informed that he was sharply criticized by some Republicans in the California Legislature at the time he began this "revolutionary" project.

Four space companies and four teams of space engineers were asked to study problems such as crime, water and air pollution, traffic, and information control.

Their reports demonstrated compellingly that the concept of systems analysis could in fact be applied creatively to social problems such as those most of our cities and States must face today.

These California reports led to my preparation and introduction of bill S. 2662 last October.

We held public hearings in Los Angeles last November 19, at which Governor Brown was, of course, the outstanding witness. We held further hearings here in Washington on May 17 and 18 of this year. These hearings were held by a special subcommittee of the Senate Labor and Public Welfare Committee—the special Subcommittee on Scientific Manpower Utilization.

We are currently planning further hearings in November and December of this year. I want to extend a warm welcome to the Republican Senators and Congressmen who have embraced this concept today, urging them to come and testify at this third hearing.

I do think that the Republican bill introduced today is only a partial step in the direction which we seem to agree is such a creative proposal. As I understand it, their bill would merely authorize another study. It would create "a national commission on public management to study the applicability of the systems management approach to public problems."

It seems to me that—thanks to Governor Brown and our subcommittee—we have already progressed beyond this stage. I hope that the Republican authors of this legislation today will go all the way with us and support my bill to put these space-age scientists to work, just as soon as possible, to produce the answers to traffic problems, crime, pollution, and housing—answers which we desperately need.

The application of the concept of systems analysis to social problems is too important to make a patrisan issue of it. This is and should be a bipartisan issue. The distinction and quality of the Republican sponors of the bill makes it clear, I think, that we can join in a bipartisan effort to implement this concept by legislation.

Mr. President, I ask unanimous consent to have printed in the RECORD the bill which I introduced, along with the Senator from Pennsylvania [Mr. CLARK], and the Senator from West Virginia [Mr. RANDOLPH], and on October 18, 1965; the speech that I gave on the floor of the Senate on this bill on October 18, 1965; a news release issued that day; and the statement made today by the distinguished Senator from Pennsylvania [Mr. SCOTT] as he urged adoption of the systems analysis concept.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Scientific Manpower Utilization Act of 1965".

SEC. 2. It is the purpose of this Act to facilitate and encourage the utilization of the scientific, engineering, and technical resources of the Nation in meeting urgent problems facing the Nation or localities within the Nation, by promoting the application of systems analysis and systems engineering approaches to such problems. The problems referred to in the preceding sentence include, but are not limited to, problems in the area of education, unemployment, welfare, crime, juvenile delinquency, air pollution, housing, transportation, and waste disposal.

SEC. 3. The Secretary of Labor (hereinafter referred to as the "Secretary") shall carry out the purposes of this Act by—

(1) making appropriate grants to States, and

(2) by entering into appropriate arrangements (whether through grants or contracts, or through other agreements) with universities or other public or private institutions or organizations,

for the purpose of causing the systems analysis and systems engineering approaches to be applied to national or local problems of types which the Secretary, by regulations, designates as being within the purview of this Act.

SEC. 4. (a) Any grant made under section 3 to a State shall be used only for the purpose for which the grant was made, and may be used by the State for such purpose directly, or through the State's entering into appropriate arrangements for the carrying out of such purpose (whether through grants or contracts, or through other agreements) with universities or other public or private institutions or organizations.

(b) No grant under this Act shall be made to a State unless the Secretary finds that—

(1) the knowledge and experience expected to be gained from the employment of such grant would have substantial relevance to problems within the purview of this Act which exist in other States;

(2) the State has presented a plan setting forth in detail the purposes for and manner in which such grant is to be used, together with the objectives expected to be achieved from the use of such grants;

(3) the State has designated an officer or agency of the State who has responsibility and authority for the administration of the program in which such grant is to be employed; and

(4) the State agrees fully to make available to the Federal Government and to other States (and political subdivisions thereof) data and information regarding the employment of such grant and the findings and results stemming therefrom.

(c) There shall not be granted to any State under this Act amounts the aggregate of which exceed 20 per centum of the aggregate of the amounts which have been appropriated to carry out this Act at the time amounts are granted to such State hereunder.

(d) Two or more States may combine to apply for one or more grants jointly to carry out the purposes of this Act with respect to one or more of the problems which they have in common and which are within the purview of this Act, and in any such case, the provisions of subsection (b) shall be deemed to require the submission of a joint plan for the utilization of the grant and the designation of one or more officers or agencies having responsibility and authority to carry out the joint plan. Each State participating in such a joint plan shall be deemed, for purposes of subsection (c), to have received an amount equal to the amount produced by dividing the amount of the grant received to carry out such plan by the number of States participating in such plan.

SEC. 5. The Secretary, in awarding grants to States and in entering into arrangements with universities or other public or private institutions or organizations, shall follow procedures established by him for the purpose of assuring that the grants or other expenditures made to carry out the purposes of this Act will be equitably distributed among the various major geographic regions of the Nation.

SEC. 6. For the purpose of making the grants and entering into the other arrangements provided under section 3 of this Act, there is hereby authorized to be appropriated, without fiscal year limitation, not more than $125,000,000.

[From the CONGRESSIONAL RECORD, Oct. 18, 1965]

A SPACE AGE TRAJECTORY TO THE GREAT SOCIETY

Mr. NELSON. Mr. President, why can not the same specialist who can figure out a way to put a man in space figure out a way to keep him out of jail?

Why can not the engineers who can move a rocket to Mars figure out a way to move people through our cities and across the country without the horrors of modern traffic and the concrete desert of our highway system?

Why can not the scientists who can cleanse instruments to spend germ free years in space devise a method to end the present pollution of air and water here on earth?

Why can not highly trained manpower, which can calculate a way to transmit pictures for millions of miles in space, also show us a way to transmit enough simple information to keep track of our criminals?

Why can not we use computers to deal with the down to earth special problems of modern America?

The answer is we can—if we have the wit to apply our scientific know-how to the analysis and solution of social problems with the same creativity we have applied it to space problems.

The purpose of the proposed Scientific Manpower Utilization Act of 1965 is to test new ways to use the scientific manpower and know-how of the space age to solve a great variety of social problems.

This bill authorizes the Secretary of Labor to contract directly with private firms, universities, or nonprofit institution, and with States or groups of States. They would undertake studies of the use of systems analysis and systems engineering for a broad range of local and national problems. A 5-year program totaling $25 million per year is suggested in this proposal.

This bill is an attempt to build creativity upon the successful first step work undertaken by the State of California.

A little over 6 months ago, Gov. Pat Brown, of California, decided to see if space engineers, and private space firms, could apply their know-how to a number of social problems faced by the State.

Approximately $400,000 was set aside for four research contracts. These were first-stage contracts, feasibility studies. They were surface-scratching efforts to test a new idea.

Four space companies, and four teams of space engineers, were asked to look at the problems of crime, pollution, information control, and transportation in the State.

They were asked to be broad gaged in their approach. The question was: Can we take a scientific look at each of these problems in a new way, as a system of subproblems, as an integrated whole, and thereby devise new, overall, integrated approaches to their solution?

Can we put the State in a laboratory and the problem in a computer?

Another question was stressed: Can we estimate the cost of various possible approaches—or mixes of approaches— and use computers to figure out the most efficient and economical way to do a job? In other words, can we get some idea of the cost-effectiveness of a variety of social programs?

The results of the first stage are now in. They are a success. California has proved that the concept of using space engineering on these problems is a feasible one. These preliminary studies reveal truly exciting possibilities for solving incredibly difficult social problems. I think Governor Brown's idea is the most creative idea in many years. We must now follow up the initial demonstration studies with full-blown experimental research. This means testing several projects to see how various proposals now sketched by the computers will actually work in practice.

This is one of the major purposes of this bill. Another is to try to find new uses for a great national resource: our highly trained scientific and technical manpower.

Let me give you one example of what just one California study showed.

We know that space engineers have designed a system to get information to and from space capsules. They even got us photographs from Mars. California asked whether they could not use the same techniques to help government get more accurate information right here on earth.

Our earthbound information problem is huge. In this 1 State, 23 county departments report information regularly to some 28 State departments. They submit almost 600 different kinds of reports. In 1 year, 1 county will typically transmit nearly 10,000 separate reports.

Today we are still using horse and buggy techniques to handle this vast amount of information. In California alone there are already 75 miles of State and local government filing cabinets which store information—in a more or less efficient way. By 1990 there will be 354 miles of filing cabinets unless something is done.

By 1974 the documents stored could pave a paper trail to the Moon and back—and anyone who knows typical office procedures knows that finding the one needed piece of paper in a filing cabinet may well be as difficult as getting it back from the Moon.

All this need not be. Scientists today can put the information collected at city, county, State and even Federal levels, into computers. With a flick of a button the precise information desired can be pulled back out of the computer. It can even be done by remote control as telephone wires connect one city to another and computers "talk to each other."

This is not only an efficient way to store and process information; it is economical, for one computer can eliminate thousands of filing cabinets, millions of pieces of paper, hundreds of file clerks, and scores of frustrated executives who never seem to be able to get the right information at the right time.

Another California study has showed that these same computers can provide the information necessary to effectively deal with crime and juvenile delinquency.

The basic work of this study was completed before the tragedy of the Watts riots in Los Angeles. The study showed, with amazing pinpoint accuracy, that this clearly defined block-by-block area within the city was a dangerous and unstable spot. The study showed that there was every reason to expect trouble—and it showed precisely where that trouble might occur.

It is estimated that the Watts riots resulted in at least $50 million in direct losses, and another $50 million in indirect costs. Had we understood the meaning of this study beforehand, we might have been able to apply the principle of an ounce of prevention.

As this example indicates, one feature of the computer, systems-analysis approach, is a scientific attempt to pinpoint the dimensions of a problem with high accuracy.

In Watts there was five menacing indicators that pointed out the troubles: Low family income; Negro population concentrations of more than 75 percent—with little integration; living conditions with more than 10,000 people per square mile; extremely high school dropout rates; and a high arrest rate—100 or more per 1,000 in the age group 10–17; 25 or more arrests per 1,000 total population.

Using the proper criteria to identify the problem is only the first step. The second step is to find the answer—or more important—to find the right combination of answers, at the lowest cost.

One way to fight crime is to put a criminal in jail for life. This will keep him from committing a further crime, but it is extremely costly. It costs a great deal of money to keep a man in jail for a year.

Another way to prevent crime is to take each first offender, and instead of putting him in jail at his first offense, spend substantial amounts of money for counseling, job training, psychiatric care, to try to help him onto the right track for a productive, noncriminal life. This may cost more at first, but if it means society would not have to pay to keep the man in jail for the rest of his life, the initial cost may be cheap in the long run.

Our first response to juvenile crime is often to call the police; it is not obvious that we might perhaps be better advised to call the employment and counseling service.

The first California studies indicate that it might even be wise to look to other parts of the social system if we really want the cheapest, most efficient way to reduce crime. It may well be that a new welfare system, and new poverty programs, dollar for dollar, could do more to reduce crime than could bigger and better prisons.

The studies do not attempt to offer a pat solution to crime. We have none. What is suggested is that we must look at a great variety of problems, seemingly distantly related, to see if pulling on one strand of the tangle here may untie a knot elsewhere.

This is one way to describe systems analysis. What we are really trying to do is figure out in great detail what that ounce of prevention idea is really about.

We want to find out if an ounce of counseling, psychiatric care, and job training, at the outset of a juvenile delinquent's crime career will, in fact, prevent a pound of robbery and theft later on.

We want to see if 3 ounces of new probation counseling will prevent 5 pounds of crime.

In fact, we want to know precisely how many ounces of each possible approach to prevention will produce the most pounds of cure.

And we want to know the cost: We want to know—throughout the whole system—what is the most economical and effective way to deal with this problem, and what is the cheapest mix of solutions we should adopt.

To do this we must build a miniature world—a mathematical model of the real one—inside a computer, and test various solutions on this world instead of on the real one. This is the systems approach, and the cost-effectiveness method.

It is the same method used by Secretary of Defense McNamara to work out the best mix of weapons for our national arsenal; and the same method used by space engineers to work out the best mix of techniques for trips to the moon.

Another California study showed the value of systems engineering for quite a different problem. Today Federal, State, and local governments are spending hundreds of millions of dollars on research and engineering to solve problems of air and water pollution. But there are no research and planning studies of the interrelationship of these problems. There is no attempt to achieve a total solution through a comprehensive and integrated system of waste management.

We can take some of the microscopic solids out of industrial smoke to reduce smog, but if we dump those solids into a river or lake we have converted an air pollution problem into a water pollution problem.

What is needed is a study of an overall scientific system for waste management, taking into account the interrelationships of geographic regions and the effect of industry and urban areas on air, ground, and water pollution. Such a system is every bit as complicated as a Gemini flight and it would involve the same disciplines of biology, physiology, mathematics, physics, engineering, and others. Bringing together all of these disciplines and applying them to solving a problem is systems engineering.

The California studies suggested that in the future sewage system construction could be integrated with the construction of roadways. Tubeways would consist of traffic roadways and rapid transit systems above, on, or just below the surface. Electrical power and communication lines would be located near or under the road surface. Below this network would be water lines, sewer lines, treated waste water lines, gas lines, and perhaps, gasoline and chemical lines. By handling all of these problems at one time in an integrated way, huge sums could be saved.

Another idea is that municipal solid waste are not expected to be collected in the household, carried to trash cans, and carted to the street for collection, as at present. With a general high standard of living, homeowners are expected to insist on a more advanced solid waste handling system. This might be to provide all households and industries with grinders which could grind solid wastes fine enough to be effectively handled in the sewer system.

Or, the homemaker might deposit any solid waste into a wall inlet in each room and never be troubled with it again. Solid wastes from each room and garden wastes from outdoor inlets would be collected in a container beneath or beside the home. One idea would be an underground conveyor belt that transports the waste out to and under the street and deposits it on a central underground belt running beneath the center of the street.

Some homesite processing of liquid waste may be desirable. A homesite liquid waste processor and compactor could function as a primary treatment device for extracting solids from the liquid wastes before being broken down—the stablized solids could be combined under the house with the solid refuse.

Perhaps instead of using tin cans, our solid waste disposal problem could be solved by using plastic combustible containers which present a minimal disposal problem.

But these are only a few of the many possible ideas arising out of systems analysis. Instead of looking at the narrow question of how to dispose of our present deluge of tin cans, the systems analyst looks at the broadest possible question, asking himself why we do not do away with tin cans altogether.

For waste management, for crime, for data—in short for almost any complicated

problem facing the Nation, the secret is that no one facet of a problem can be isolated from the broader problem. All sides of any problem must be looked at together—as one system.

That is the purpose of this bill. We hope to build upon California's successful experience. Because of the brilliant work and leadership of Governor Brown, we know the basic idea is feasible. Now we need to do further research to test which specific approaches, and which specific solutions will work best. We need to move beyond feasibility studies to demonstration research tests.

Both the social problems we are dealing with and the men we are asking to deal with them are matters of concern to all of us. For this reason the bill provides that the actual studies are to be conducted in the various regions of the country where the problems require urgent attention, and where the talent to do the job exists. The results of any one study are to be made available to all States with similar problems.

Perhaps one of the most exciting aspects of this approach is that we will take maximum advantage of our highly trained manpower just as our best private firms are doing.

The leaders in this field are the space firms which have paved the way in California. They have developed the techniques of systems analysis and engineering. And they have the commitment to national objectives which is so important to the success of this proposal.

The aircraft-missile industrial complex alone employs more scientists and engineers on research and development than the combined total of chemical, drug, petroleum, motor vehicle, rubber, and machinery industries.

These figures show not only that the aerospace industry has a huge portion of the scientific manpower in America today, but also that we have committed this tremendous national resource to activities which are not directly related to the solution of our Nation's social problems.

It would be highly in the national interest to begin devoting a portion of the talents and brains of our defense and space industries to other national goals of a Great Society. This would require no diminution in either our defense or space commitments. We can do both—we can have guns and butter; we can have a moon shot and a national plan for the abatement of pollution; a polaris project is not incompatible with a new and scientific attack on the terrors of crime. Moreover, the California studies have shown that private firms can help us achieve this objective since many companies in other industries have developed a systems engineering capability.

In fact, this capability and brainpower already available throughout the Nation is a great secret weapon. It is a scientific weapon of demonstrated power, and a resource which represents a huge national investment.

Our task is to recognize that we have the scientific know-how, and the men, to solve almost any problem facing this society. Once we understand this, I am confident we will choose to use the resource; we will choose to set our highly trained manpower loose not only on space probes but on down-to-earth problems; we will choose to use systems analysis, computers, and every modern resource available to us in the quest for progress.

If we do that, we will have launched ourselves on a space age trajectory to the Great Society.

I ask unanimous consent to have printed in the RECORD a copy of the bill, and various materials relating to it.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and material will be printed in the RECORD.

The bill (S. 2662) to mobilize and utilize the scientific and engineering manpower of the Nation to employ systems analysis and systems engineering to help to fully employ the Nation's manpower resources to solve national problems, introduced by Mr. NELSON (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the 'Scientific Manpower Utilization Act of 1965'.

"SEC. 2. It is the purpose of this Act to facilitate and encourage the utilization of the scientific, engineering, and technical resources of the Nation in meeting urgent problems facing the Nation or localities within the Nation, by promoting the application of systems analysis and systems engineering approaches to such problems. The problems referred to in the preceding sentence include, but are not limited to, problems in the area of education, unemployment, welfare, crime, juvenile delinquency, air pollution, housing, transportation, and waste disposal.

"SEC. 3. The Secretary of Labor (hereinafter referred to as the 'Secretary') shall carry out the purposes of this Act by—

"(1) making appropriate grants to States, and

"(2) by entering into appropriate arrangements (whether through grants or contracts, or through other agreements) with universities or other public or private institutions or organizations,

for the purpose of causing the systems analysis and systems engineering approaches to be applied to National or local problems of types which the Secretary, by regulations, designates as being within the purview of this Act.

"SEC. 4. (a) Any grant made under section 3 to a State shall be used only for the purpose for which the grant was made, and may be used by the State for such purpose directly, or through the State's entering into appropriate arrangements for the carrying out of such purpose (whether through grants or contracts, or through other agreements) with universities or other public or private institutions or organizations.

"(b) No grant under this Act shall be made to a State unless the Secretary finds that—

"(1) the knowledge and experience expected to be gained from the employment of such grant would have substantial relevance to problems within the purview of this Act which exist in other States;

"(2) the State has presented a plan setting forth in detail the purposes for and manner in which such grant is to be used, together with the objectives expected to be achieved from the use of such grants;

"(3) the State has designated an officer or agency of the State who has responsibility and authority for the administration of the program in which such grant is to be employed; and

"(4) the State agrees fully to make available to the Federal Government and to other States (and political subdivisions thereof) data and information regarding the employment of such grant and the findings and results stemming therefrom.

"(c) These shall not be granted to any State under this Act amounts the aggregate of which exceed 20 per centum of the aggregate of the amounts which have been appropriated to carry out this Act at the time amounts are granted to such State hereunder.

"(d) Two or more States may combine to apply for one or more grants jointly to carry out the purposes of this Act with respect to one or more of the problems which they have in common and which are within the purview of this Act, and in any such case, the provisions of subsection (b) shall be deemed to require the submission of a joint plan for the utilization of the grant and the designation of one or more officers or agencies having responsibility and authority to carry out the joint plan. Each State participating in such a joint plan shall be deemed, for purposes of subsection (c), to have received an amount equal to the amount produced by dividing the amount of the grant received to carry out such plan by the number of States participating in such plan.

"SEC. 5. The Secretary, in awarding grants to States and in entering into arrangements with universities or other public or private institutions or organizations, shall follow procedures established by him for the purpose of assuring that the grants or other expenditures made to carry out the purposes of this Act will be equitably distributed among the various major geographic regions of the Nation.

"SEC. 6. For the purpose of making the grants and entering into the other arrangements provided under section 3 of this Act, there is hereby authorized to be appropriated, without fiscal year limitation, not more than $125,000,000."

WASHINGTON, D.C.—Senator GAYLORD NELSON of Wisconsin, Monday, introduced a bill to apply space age knowhow to solving down to earth social and economic problems.

The new legislation would authorize a $125 million, five year program, including grants to states, for contracts with the scientific community to develop new techniques in solving long-standing human problems through the use of systems analysis and systems engineering.

"Why can't the engineers who can move a rocket to Mars figure out a way to move people through our cities and across the country without the horrors of modern traffic?" NELSON asked.

"Why can't the scientists who can cleanse instruments to spend germ free years in space devise a method to end pollution here on earth?

"Why can't the same systems analysis techniques which can provide the Pentagon clear answers to the extraordinarily complex questions about the best weapons to defend ourselves abroad shed light on the most effective way to prevent crime here at home?

"The answer is that of course they can, but their expertise has not as yet been applied to these problems in a broad and efficient manner."

Under the systems engineering technique, skilled personnel, using advanced analytical methods are told to define the basic elements of a problem such as getting a rocket to Mars, and to recommend the most efficient solutions based on all possible contingencies.

Advanced computers, which can store vast amounts of data and make sophisticated comparisons of extraordinarily complex alternatives with electronic speed, make it possible to deal simultaneously with all the threads of a social problem in a way that is beyond the ability of the individual mind.

NELSON'S bill is a direct outgrowth of a $400,000 program begun by Governor Pat Brown in California. California asked four space industry firms to use systems analysis techniques in working out solutions to crime, transportation, water pollution and information handling problems faced by the state. Reports filed recently indicate that the efforts were extraordinarily successful.

The legislation authorizes the Secretary of Labor to contract with private industry or institutions of higher education, and to make grants to states or groups of states to carry out the application of system analysis and systems engineering to urgent urban, rural and regional problems including, but not limited to, housing, transportation, waste disposal, criminal justice, and welfare.

The Act specifies that its purpose is to encourage and enable states, singly or in groups, to engage the scientific, engineering and technical community in developing solutions to urgent social problems which are increasing in magnitude and complexity and require fresh problem-solving approaches and methods.

Under the bill the Secretary and the states may contract with any public or private organization, or university, in carrying out the studies and demonstrations.

No state shall receive more than 20 per centum of the total amount authorized to be appropriated.

SENATOR SCOTT URGES USE OF SCIENTIFIC TOOLS TO BENEFIT ALL MANKIND

U.S. Senator HUGH SCOTT (R.-Pa.) today introduced legislation to establish a National Commission on Public Management to put the latest scientific tools of management analysis "to work for the benefit of all mankind."

Senator SCOTT is the principal sponsor of a bill which was cosponsored by nine other Republican Senators.

In a Senate speech, he said:

"Mr. President, Congress has over the past decade enacted a host of creative programs designed to solve our public, social and economic problems. We have made important strides forward in education, health care, pollution control and urban development, but the dimensions of our remaining problems are staggering.

"—there are 9 million sub-standard housing units in the United States, most of them in urban areas.

"—10,000 of our Nation's communities will face serious problems of air pollution.

"—the demand for water consumption may exceed the available supply before the end of this century.

"—traffic jams cost the Nation over $5 billion each year.

"—in one State alone, engineers estimate that government documents will fill nearly 400 miles of filing cabinets by 1990.

"It is clear that problems of this magnitude are not susceptible to the traditional solutions. We must reach for new ways to manage the public business effectively and economically.

"We have available to us already a wealth of knowledge and technology in private industry. We have seen how new techniques of management analysis—the so-called "systems approach"—have streamlined our defense establishment and brought the universe within man's reach.

"The systems approach is usually identified with the techniques put to such good use by the National Aeronautics and Space Administration, the Defense Department, and the aerospace industry.

"With the systems approach we can use the latest scientific tools to deal with water and air pollution, just to cite one area of great national concern. This new technology can test for pollution, anticipate pollution, and provide techniques to prevent and correct pollution.

"Systems management techniques can be used also in dealing with the air and surface transportation problems affecting the Nation today. They can be made to work to help free the flow of city workers to suburban homes, to resolve the incredibly complicated problems of air safety and air traffic control.

"In housing, systems technology can help improve the design of homes, simplify the planning of house patterns, provide for more efficient and rapid administration of housing development programs—all toward improving the living conditions of millions of Americans.

"The same set of tools can be put to use to help us educate our children, improve the health of our families and increase the effectiveness of law enforcement.

"Those are just a few examples of the kinds of tools at our disposal. I believe that we should put those tools to work for the benefit of mankind.

"Therefore, I am today introducing a bill to establish a National Commission on Public Management. My bill is cosponsored by Senators DOMINICK, ALLOTT, BENNETT, CASE, FANNIN, JAVITS, KUCHEL, MORTON and TOWER. A companion measure is being introduced today in the other body by Representative MORSE of Massachusetts and more than 40 of his colleagues.

"This Commission would bring to bear on the management of public business the very best minds in private industry, government, labor and education. Its mandate is to answer two fundamental questions: can new management technology aid us in solving public problems? What is the best way to do the job?

"This bill proposes that a National Commission be appointed by the President in order to study and recommend the manner in which modern systems analysis and management techniques may be utilized to resolve national and community problems in the non-defense sector.

"The Commission would be composed of a Chairman, Vice Chairman and eleven other members, who shall be experienced in the subject matter to be studied by the Commission, and shall include representatives from government, business, labor and education. In addition, the Commission may appoint an Executive Director and any other staff personnel required.

"The Commission would have an active life of approximately two and one half years. At the end of one year it would provide the President and the Congress with a preliminary report including a precise description of the problems, a preliminary analysis of the applicability of these new management techniques to a wide spectrum of public problems, and a detailed plan for continuing study leading up to the final report. Then, 18 months later, the Commission would submit its final report, containing explicit plans, including case examples, for applying particular management technology to specific public problems. This report would also contain recommendations for legislation, Federal executive action, and State and local governmental action needed to facilitate the application of these techniques.

"The Commission would study and investigate the following major areas:

"1. Definition of those social and economic problems to which the application of the 'systems approach' appears to hold promise.

"2. Analysis of the many modern management techniques currently being used in the aerospace field to determine those which are best suited for application in the non-defense sector and what modifications may be required.

"3. An assessment of the proper relationship between governmental and private investment in these areas, including the degree of public involvement and the best procedures for government support and funding.

"4. An assessment of the optimum organizational relationships among several levels of governmental authorities.

"5. The role of small business and organized labor in the application of these new management techniques.

"6. An assessment of potential contributions of the universities toward resolving public management problems.

"The tasks of management in both public and private enterprise have become more complex due to the very nature of the problems inherent in a dynamic society such as ours, and due, of course, to advances in science and technology. The problems of managing even the largest Federal programs of a generation ago were small compared to those of today. All levels of government—Federal, State and local—are finding it increasingly difficult to solve their complex management problems on a piecemeal basis, to a large extent because they lack the management techniques and skills that have been applied so successfully in private industry.

"Although there are studies in process dealing with the use of systems analysis in several non-defense areas, the questions of where and how the systems approach is most applicable and the problems as to how these can best be applied are still largely unanswered. Those questions require the attention of a Commission, appointed by the President, to include the best minds in the field of modern management technology.

"Some of our distinguished colleagues have recently introduced legislation which would authorize the expenditure of public funds, either directly by Executive Departments or through grants to the States, for contracts with universities or other organizations which would attempt to apply the systems analysis approach to public problems. We fully support our colleagues on the basic issue of stimulating governmental support for such endeavors, but we also believe that a national commission is required first to provide the overall analysis and informed recommendations needed by all governmental authorities who may have reason to use the systems approach in the future.

"The significance of the proposal goes far beyond the mere application of systems management and the new technology. The Commission would be the first step in a major new political departure. What is envisioned is the application by private industry of these new problem solving techniques to public policy problems. By utilizing the vital skills of private industry, under contract to the government, it is possible at the same time to solve these increasingly complex problems and to attack informatively the great problems presented by the constant burgeoning of the Federal Government in its multifarious aspects."

RIGHTS, LEADERS AND MARCHES

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to insert in the RECORD an editorial, entitled "Rights, Leaders and Marches," which appeared in the August 23 edition of the Washington Daily News.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

RIGHTS, LEADERS AND MARCHES

A half-dozen leaders of rival civil rights organizations appeared Sunday on a national TV show. The experience was not especially instructive, nor necessarily constructive. Most of these men dealt with tactics, rather than goals.

Their views ranged all the way from the realistic appraisal by Roy Wilkins of the NAACP, who thinks progress is at work, even if not fast enough or broad enough, to Stokeley Carmichael of SNICK, as it is called, who would burn down the granary to get at the wheat. Or James Meredith, who talked of Negro vigilantes.

Martin Luther King, leading the daily demonstrations in Chicago, said a court injunction to limit the demonstrations was "unjust, unconstitutional and immoral." He implied he might obey it only temporarily.

The court restricted the demonstrations to one at a time, to daylight hours, to 500 marchers and required the demonstrators to give 24-hour notice.

In the circumstances, this was a judicious limitation. Dr. King says the only purpose of demonstrations is to "bring issues out into the open," and with the public attention he gets one parade can do as much as a dozen.

But the Chicago marches have been marked by fierce violence. There is no logic or excuse in this, but it puts a heavy load on police. The court limitation is in protection of the marchers.

Moreover, these marches in business streets disrupt traffic, hampering the normal operations of those who live in the areas. These people at least deserve reasonable notice of the disruption. Rights are for all, not just some, which is the principle Dr. King is trying to prove.

These leaders could help their cause by more resort to persuasion, education, persistence and devotion to goal rather than tactic; by being less abrasive, less menacing. They have made their point; excesses could blunt it.

ACTUAL FIGURES ON NEGRO-WHITE ECONOMIC LEVELS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to insert in the RECORD a column by Bruce Biossat, entitled "Actual Figures on Negro-White Economic Levels," which appeared in the August 19 edition of the Washington Daily News.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

ACTUAL FIGURES ON NEGRO-WHITE ECONOMIC LEVELS

(By Bruce Biossat)

Stokely Carmichael of the Student Non-Violent Co-ordinating Committee seems to be suggesting, in recent public utterances, that most whites are comparatively well off and nearly all Negroes are poor.

This generalization, if he intends his comment to be that, represents a vast and misleading over-simplification of white-Negro economic status today.

It obscures the fact that in the last two decades Negroes have made substantial—if still greatly insufficient—economic progress. It also conceals the fact that millions of whites are very poor.

PERCENTAGES

Some social analysts consider a $6000-a-year family income the entry point into the steadily swelling American middle class. By that measure, about a fourth of the nation's 5 million Negro families today fall into the middle class category.

In 1940 the figure was only 10 per cent. Even as recently as 1950 it was just 16 per cent.

There can be no joy over the fact that this clear progress still leaves 75 per cent of Negro families below middle class levels and 36 per cent of the total below the $3000-a-year family income plane—in abject poverty.

Yet, tho it cannot be a consolation, it is instructive to note that 40 per cent of the country's 45 million white families are likewise below middle class income levels, and more than 14 per cent of white families below the $3000 family income mark.

ACTUAL NUMBERS

These percentages, for whites, are much lower, but the numbers are high. Some 3,750,000 Negro families fall short of middle class. So do about 18,250,000 white families. Perhaps 6.5 million white families classify as very poor.

Furthermore, with all the racial ferment in U.S. cities, the notion has taken hold that core-city slums today are almost totally occupied by impoverished Negroes. Housing studies show, however, that of 9 million U.S. households living in squalor, some 6 million are white. The Negro total is 2.3 million, with Puerto Ricans and Mexicans accounting for the rest.

Charges that Negroes are slipping farther and farther behind in the income race with whites do not seem to be supported by government income figures.

In 1947 the U.S. Negro family was earning 51 per cent as much as the typical white family. A decade and a half later, the percentage had risen to 53 per cent. That is not much "catching up," but neither is it slipping back.

WOMEN'S GAINS

Income gains for Negro women workers account for the modest advance, since male Negro workers have held steady at around 55 to 57 per cent of white male workers' income.

What holds the Negroes' income down is the sharp pay differential between Negro and white workers doing the same jobs. Moreover, the proportionately older white population has many more people in their middle-range peak earning years than does the young Negro population.

And, of course, the far higher Negro unemployment rate, especially among teen-agers, severely aggravates this situation.

Catching up obviously depends partly on finding millions more jobs for Negroes and partly on their elevation into more skilled and professional jobs—at pay levels commensurate with whites.

Nevertheless, median family income for all Americans, white and Negro, rose roughly 45 per cent from 1947 to 1963 and is still climbing. The Negroes' substantial share in this advance explains why more and more of them continue, slowly but surely, to move into the American middle class. They are far from income parity with whites, but they are on a persistently rising income curve.

AN OPEN LETTER TO NEIGHBORS IN SOUTHEAST'S 11TH PRECINCT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to insert in the RECORD a letter written by a resident of Southeast Washington and addressed to his neighbors in the community. The letter appeared in the August 18 edition of the Washington Daily News.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

AN OPEN LETTER TO NEIGHBORS IN SOUTHEAST'S 11TH PRECINCT

(The following letter was written by a resident of Southeast Washington, Ken Smith, of 2422 Elvans Road se, addresed to his neighbors in the community.)

I'm poor. I'm not working, even. I'm Negro. I'm a high school drop out. I drink, I smoke and gamble, and I'm a product of a broken home . . . but I'm not a rebel. I love you and my country and community. I love life. I've seen police brutality first hand; but on a larger scale I've seen citizen brutality.

"Coming events cast their shadows before" is one of the truest sayings in the world. And anyone can say "I told you so" after things get out of hand.

But I have a solution to our community problem. It is this:

First remember, regardless of who you are, if you look for trouble you'll find it. Second, each and every one of you, white and colored, stop and think, "What am I as an individual doing for my community, not what is my community doing for me?" Are you guilty of hanging on corners, creating a nuisance to passers-by with rough language and horseplay? Do you hang outside of the liquor stores waiting for a sponsor to get your head bad on cheap wine and beer?

Do you hang on your front steps looking as unkempt and slovenly as you can? Do you really give a damn where your children are, or only when they are arrested? Do you pull as many as five false alarms on a given week-end night? Do you harass the paper boys who are trying to lift themselves by their bootstraps, and take their pennies?

Did you, in spite, break into the new apartment building and tear things apart, breaking windows, fixtures, and such? How many windows did you break at Moten School, Birney School? How many rides did you steal on the D.C. Transit buses? How many muggings, party crashings, gangs, rapes and rumbles were you in on?

Did you come home drunk last Friday and curse the neighbors, God and your own family?

What did you do about the dirty apartment fronts on Morris Road and other places? Did you get up and stick the kids on the front porch looking as lost as can be while you caught another nap?

Well, most of us are guilty of some of these things and the solution lies with the individual. He presents his ideas to a group and if his ideas are not right then the group's ideas won't be right if they adopt his.

Don't demand until you are ready to offer. Don't take until you are ready to give.

You are not born free socially, or economically. You are born free spiritually and it behooves each and every one of you to put forth the effort to be free socially and economically. Youth is no excuse any more than age or educational ignorance because we all know what hurts us and if it hurts us it hurts others also.

So get off the street corners and stoops, get into the churches, Y's, community centers and the like. Hold your heads up, look all men in the eye and say I am as good as you because I act it.

Just like the rioter's way of living leads to early death and destruction, so does the rioter's way of asking for help lead to death of ideals and incentive and programs.

Don't let Chicago and Watts and Detroit and Philadelphia be your guideline or example. "To thine own self be true."

Remember this: orderly dissent is legal, it is soul-searching, and it is productive. But remember that "united we stand divided we fall" means united in decency and purpose to achieve the Utopia we all wish for.

VIETNAM: SOME UNVARNISHED FACTS

Mr. JAVITS. Mr. President, in an article which was published in the New York Times on August 24, Tom Wicker makes an important contribution to shedding light on some of the unpleasant, but nevertheless very real facts about Vietnam. Mr. Wicker's article takes almost precisely the position and analysis on Vietnam which I myself have been making for over a month.

There is little likelihood of a Vietnam settlement in the foreseeable future by either a peace conference or a series of decisive military victories. Even when our military force becomes predominant in South Vietnam, when the Communists discover that it is not militarily feasible for them to operate in large units, it is likely that they will revert to stage one, or the guerrilla stage of Mao Tse-tung's theory of guerrilla war. This, in turn, points up the real challenges of its insurgency warfare, the real limitations of force as the only solution to defeating guerrillas.

The main role of force should be to provide a shield of confidence behind

which the equally real war against social and economic deprivation can go forward. It is at the ballot box, through the process of legitimizing government, and through the worth of the daily lives of the people that a guerrilla war is won or lost.

I ask unanimous consent to have Mr. Wicker's article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BALLOT BOX BATTLEFIELD

(By Tom Wicker)

WASHINGTON, August 23.—Reports from South Vietnam now indicate somewhat fewer combat incidents involving large North Vietnamese units and somewhat more guerrilla and terrorist attacks than might have been expected.

On its face, this could suggest that North Vietnam and the Vietcong, discouraged at the American force and firepower in the field against them, are reverting to the so-called "phase one" of a war of national liberation—terror, assassination, intimidation and political infiltration, waged by small bands in the countryside.

THE ADMINISTRATION

This is not accepted here. Administration officials—particularly the military—are inclined to think instead that the "spoiling tactics" of American troops have been successful enough to keep the opposition's main force units off balance and unable to develop anything like a general offensive.

Thus, guerrilla incidents make more of a splash than they might otherwise. In addition, the forthcoming South Vietnamese elections probably have provoked increased terrorism as the insurgents seek to disrupt the campaign and render the voting as meaningless as possible.

Finally, infiltration from the north continues at a high level, which would hardly be the case if there were any intention in Hanoi to pull back its main force units.

Nevertheless, a growing number of American officials no longer expect to see the Vietnamese war liquidated over a green baize conference table, or in some climactic series of military confrontations.

HITTING THE SUPPLY LINES

Their view is that powerful and mobile American forces are demonstrating their ability to cope with large North Vietnamese battle units and that Hanoi eventually will recognize that it has little chance to win a clash of armies. Moreover, to the extent that the American bombing in the north affects the Communist ability to fight in the south, it is the big main force units whose supply and replacement channels are hardest hit.

Since it is virtually a unanimous belief within the Administration that Hanoi nevertheless shows no indication of either giving up that struggle or seeking a negotiated settlement, the conclusion of many officials is that logic probably will dictate an ultimate lapse into phase one.

Such a reversion to hit-and-run guerrilla tactics, with small, mainly native bands ravaging the countryside and terrorizing the people, would limit the big American units to their lowest level of effectiveness.

It would make American bombing in the north even more meaningless militarily than many believe it already is. And if such a development suggested to the American people that the war was subsiding to manageable levels, it might produce far more potent pressures on President Johnson to "bring the boys home."

If that is to be the war's future, all the more importance must be attached to the development of a stable, popular, broad-based government in South Vietnam—a process that could have its beginning in the elections Sept. 11, when an assembly to write a constitution will be chosen.

This is because a new phase one struggle obviously would return much of the burden of the war to South Vietnam—and only an able and respected government, dealing fairly and effectively with its people, is likely to cope with a determined insurgency that has some support in the populace.

But even if there is to be a long and sizable war rather than a phase one struggle, only such a Government could make South Vietnam an effective partner in waging and winning it. And if there is, after all, a negotiated settlement, only such a government could absorb the disciplined cadres of the Vietcong, whether as a recognized political body or as unreconciled revolutionaries.

A GOOD TURNOUT NEEDED

In the shorter run, the Sept. 11 elections also could prove important in themselves if, in the face of what is expected to be a determined Vietcong effort to disrupt and stifle the voting, there is a sizable turnout—say, something like half of those eligible.

That would indicate that the Vietcong do not control as much of the populace as many believe. And it would suggest that a large number of South Vietnamese believe enough in a future for their country to take a hand in shaping it—despite terrorism on the one hand and mistrust of the Saigon generals on the other.

AN ALL-ASIAN PEACE CONFERENCE: AN IDEA WORTH FOSTERING

Mr. JAVITS. Mr. President, the idea of an all-Asia peace conference to bring about a negotiated settlement of the Vietnam conflict is an idea worth fostering—despite the fact that Hanoi and Peking have initially rejected it. The initiator of this idea, Charles Percy, of Illinois, is to be commended. The value of this initiative is demonstrated by the fact that many persons intimately concerned with foreign affairs have risen to support it. Most notable among them are: Thanat Khoman, Thailand's Foreign Minister, ex-President Eisenhower and former Vice President Nixon, a number of Senators and Congressmen from both parties, and as recently as yesterday, President Johnson.

Though there may be little likelihood in the foreseeable future for a negotiated settlement in Vietnam, this does not relieve us of the responsibility of seeking peace by all possible means. Even though Peking, Hanoi, and the National Liberation Front refuse to talk about anything but total South Vietnamese and U.S. concessions, our unconditional offer of peace talks must stand. Only by doing so, can we convince the world that our intentions are honorable.

I have always maintained that the best way to solve regional problems is by the regional approach, and I have argued that regionalism represents the most vital kind of reality in contemporary international affairs. For, regionalism is the most productive and acceptable way for nations with common problems and objectives to join their resources and energies into a common effort.

Beginnings of regionalism are already apparent in Asia. Three such groupings are of particular importance. First, there is the Asian Bank, a project which has been enthusiastically received by Asian and Western countries alike. The Asian Bank with an initial capitalization of $200 million for the first year will be an ongoing operation as of January 1967. Its full acceptance by Asians indicates that it will be only a first step in the direction of greater economic cooperation.

A second Asian grouping, one that is being revitalized, is the Association of Southeast Asia, composed of Thailand, Malaysia, and the Philippines. This small grouping intends to extend its cooperation to all enterprises—political, economic, military, and technical. There has been much talk of late about the possibility of Indonesia joining this group. If this occurs, it could be the beginning of a solid and lasting nucleus for wider Asia cooperation.

The third, a newly organized Asia and Pacific Council—composed of South Korea, the Philippines, Thailand, Japan, Australia, New Zealand, Republic of China, Malaysia, South Vietnam and Laos as an observer—may well be the precise instrument and organization through which to implement the idea of an all-Asian peace conference for Vietnam. If ASPAC's first meeting in Seoul, Korea, is any indication of what this body can do and of what it intends to do, it may develop into a regional organization capable of dealing with regional security matters without direct U.S. participation. It may if nurtured, instead of being pushed into any rigid ideological framework, be the means of bringing peace to Vietnam.

FAIR LABOR STANDARDS AMENDMENTS OF 1966

The Senate resumed the consideration of the bill (H.R. 13712) to amend the Fair Labor Standards Act of 1938 to extend its protection to additional employees, to raise the minimum wage, and for other purposes.

Mr. YARBOROUGH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3105) to authorize certain construction at military installations, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15941) making appropriations for the Department of Defense for the fiscal year ending June 30, 1967, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 11 and 29 to the bill and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 10, 13, and 27 to the bill and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate; and that the House insisted on its disagreement to the amendments of the Senate numbered 5 and 24 to the bill.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 13298. An act to amend the Organic Act of Guam in order to authorize the legislature thereof to provide by law for the election of its members from election districts; and

H.R. 14596. An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1967, and for other purposes.

RECESS UNTIL TOMORROW AT 10 O'CLOCK A.M.

Mr. LONG of Louisiana. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 10 o'clock a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 28 minutes p.m.) the Senate recessed until tomorrow, Friday, August 26, 1966, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 25, 1966:

DIPLOMATIC AND FOREIGN SERVICE

John M. McSweeney, of Nebraska, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Bulgaria.

Miss Carol C. Laise, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

Leo G. Cyr, of Maine, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Rwanda.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

To be majors

Lewis, Robert G., O64369.
Stewart, Wilmer D., O70516.
Wallace, William B., O64662.
Waller, Ephraim E., OF102287.

The following-named officers for promotion in the Reguar Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298:

To be first lieutenants

Cowan, Charles E., Jr., OF103818.
Craig, Richard P., OF100157.
Dahoney, Richard H., OF102445.
Edwards, William J., OF192861.
Fredrick, Gilbert H., Jr., OF102876.
Hadaway, Bobby G., O97126.
Hand, David E., O95391.
Jagielski, James R., OF104455.
Jarrett, Garnett L., OF105441.
Kelley, Erskine H., 3d, OF104463.
Kelley, Lawrence O., OF103860.
Krumholz, Harvey R., OF103401.
LaFreniere, Richard L., OF105457.
Lankford, Carson W., OF103866.
Lippincott, William R., Jr., OF102781.
McCollum, Tommie L., OF104488.
Metelko, James E., OF102554.
Moore, Julius B., Jr., OF102684.
Nadal, Rafael L., OF104504.
Nichols, Robert A., OF102578.
O'Neill, Peter G., OF104510.
Parker, Charles M., OF103000.
Pennywell, Johnson E., OF103067.
Plymale, Charles F., OF103071.
Poff, Gary L., OF103009.
Prather, Thomas L., Jr., OF100608.
Putman, Gerald H., OF101884.
Ruppenthal, Harry L., OF103721.
Straub, Delbert M., OF105558.
Tysdal, Thomas P., OF103757.
Wilkins, Harold H., OF103776.
Wittbrodt, Thomas A., OF103781.
Wood, Smythe J., OF103783.
Woulfe, Robert J., OF103785.
Young, Leo M., OF105601.

To be first lieutenant, Medical Service Corps

Mumma, Patrick J., OF102989.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of captain, subject to qualifications therefor as provided by law:

Winfree M. Abernethy
Dennis M. Achilles
Carl P. Ackerman
Chauncey C. Acrey
Carl I. Adams
Charles N. Adams
Larry G. Adams
Wayne T. Adams
John R. Ahern
Paul J. Albano
David G. Amey
Andrew G. Anderson II
Donald F. Anderson
John M. Anderson
Larry R. Anderson
Peter P. Anderson
Donald K. Angel
Fred W. Anthes
John T. Archer
David A. Arthur
William C. Asbury
Thomas D. Ashe
Dennis M. Atkinson
Douglas W. Austin
Clair E. Averill, Jr.
Allan F. Ayers III
Wayne A. Babb
Larry A. Backus
Charles L. Bacon
Maurice S. Bacon
Kenneth E. Bailey
Allan P. Bakke
Richard C. Bannan
Emory W. Baragar
Boyd L. Barclay
Richard K. Bardo
Brent J. Barents
Richard T. Barker
William G. Barnes, Jr.
Blanton S. Barnett III
Henry D. Barratt
John J. Barrett
Peter L. Barth
Merrill L. Bartlett
Robert O. Bartlett
Francis J. Barton
John F. Bates
Harry C. Baxter, Jr.
Dale S. Beaver
Duard "L." Beebe
James R. Beery
Thomas M. Beldon
Donald R. Bell, Jr.
John R. Bell
George E. Bement
Benjamin E. Benjamin
Joseph J. Bennett III
Ronald D. Bennett
William H. Bennett
Jerome H. Bentley III
Roderick E. Benton
Allan E. Berg
Craig A. Bergman
Gordon C. Berryman III
Coy T. Best, Jr.
Thomas N. Best, Jr.
George R. Bettle
Lance V. Bevins
Abraham Bevis
Richard L. Bianchino
Ronald J. Biddle
Noel C. Bing
Max D. Bishop
Robert A. Black, Jr.
Clifford G. Blasi
Patrick J. Blessing
Bradley W. Bluhm
Michael A. Blunden
Carl E. Bockewitz
Wichard H. Bode, Jr.
Henry C. Bollman III
Latham Boone III
Andre M. Bordelon
Michael O. Boss
John J. Bowe, Jr.
John W. Boyan
Thornton Boyd
Gerald P. Brackin
Christopher M. Bradley
Clinton E. Braly
Walter J. Breede III
John F. Brennan
Patrick J. Brennan
Thomas V. Brennan, Jr.
Anthony D. Brewin
Roger S. Bride
Lloyd G. Brinson, Jr.
Harold L. Broberg
David W. Brown
Gary E. Brown
Raul B. Brown
Robert D. Brown
Robert W. Brown, Jr.
Robert A. Browning
Curtis B. Bruce
Clay A. Brumbaugh
Robert L. Brutke
Frederick T. Bryan
George S. Burgett
Charles O. Burke
Alan L. Burnaford
Arthur E. Burns III
Donald E. Burns
Thomas V. Burns
Ronald G. Burnsteel
Bruce Burrows
Peple M. Burton, Jr.
Roland E. Butler
Robert W. Byrd
Michael "J." Byron
William L. Cadieux
Chester C. Calkins, Jr.
Richard D. Camp, Jr.
Gary E. Carlson
James E. Carlton, Jr.
Peter D. Carpenter
Jimmy M. Carson
Frederick H. Carter
Kenneth L. Carter
Thomas C. Carter
John B. Caskey
David J. Cassady
Henry B. Castle
Paul R. Catalogne
Ronald D. Cater
Leon G. Chadwick, III
Robert C. Champion, Jr.
James M. Chance
Kurt J. Chandler
Lonnie S. Chavez
Charles W. Cheatham
Stanley W. Cheff, Jr.
Louis E. Cherico
Jack A. Chiaramonte
Douglas S. Christensen
Duel D. Christian
William H. Christoph
Jorel B. Church
Theodore C. Cieplik, Jr.
Joseph B. Clancy
James A. Clark
Joe Clark
Robert F. Clark
Roger J. Claus
Charles D. Clausen
William C. Clay, III
Harry F. Clemence, Jr.
Robert F. Clemmons
David W. Clingman
Michael E. Cochran
Richard V. Coffel
Richard W. Coffman
William E. Cole II
Michael H. Collier
Ernest E. Collins
Bernis B. Conatser, Jr.
Ronald J. Condon
Thomas M. Conley
James E. Connell
Charles E. Conway, Jr.
John J. Conway
Thomas C. Corbe
David C. Corbett
Ronald C. Cormier
Jerry L. Cornelius
Walter J. Costello
John P. Coursey, Jr.
Harold W. Courter
Paul H. Courtney
Cryspin J. Cowell
David E. Cox
Millard Cox
William F. Cox
Miles H. Crafton, Jr.
Wayne N. Crafton
Richard J. Craig
Robert R. Craig
Marvin L. Creel
William W. Crews
Richard H. Criche
Ronald R. Critser
Albert B. Crosby
Kenneth L. Crouch
Thomas B. Cullen
Paul W. Culwell
"C" "D" Cuny
James E. Curran, Jr.
Edward R. Curtis
James G. Custar
Reid E. Dahart
Joseph C. Dangler
Marshall B. Darling
William D. Davidson
Bruce E. Davis
Donald R. Davis
James A. Davis
James F. Davis
Leroy G. Davis
Roger E. Davis
Patrick E. Dawson
Joseph C. DeBilio
Herbert W. DeGroft
John D. DeHoll
Carmine J. Delgrosso
Angelo C. DeMeo
Arlie W. R. Demien, Jr.
Thomas F. Dempsey
Larry T. Denney
Francis T. Dettrey
Thomas P. Devitt
Lawrence G. De Vore
Thompson B. Dickson
William P. Dickson
William M. Diedrich
Roger H. Dingeman
Ernest L. Dinius
Ronald R. Dirck
Elliott S. Dix
Wilson R. Dodge
John W. Dohrman
John T. Dolan
Patrick J. Donnelly
John J. Dougherty
Richard J. Dove
Jack G. Downing
Michael J. Doyle
Robert A. Doyle
Walter B. Dozier
Richard L. Drury
Charles Duffy
Charles J. Duffy
Clay J. Dugas II
Dorris "A." Duncan
Denniss J. Dunlap
David S. Durham
William G. Dwinell
Edward J. Dwyer, Jr.
Joseph M. Dwyer
Joseph J. Dzielski
Clarence L. Eastwood
Leonard M. Eaton
Ronald R. Eckert
James F. Egan II
James E. Egloff
Helmut J. Eichhorn
Earl W. Eiland
Paul R. Ek
Steven J. Ek
John H. Ellingson
James F. Ellis
Richard W. Elsworth
John N. Ely

Robert E. Enis
Patric S. Enright
Brian J. Fagan
James W. Fagan
Rudolph H. Fahrner
Robert J. Faught
Paul I. Faulkenberry
Joseph M. Favor
Harold T. Fergus
Robert L. Ferguson, Jr.
Roger G. Ferguson
James D. Field
Peter B. Field
Frank A. Finizio
John T. Fischbach
James A. Fisher
Thomas M. Flattery
Victor K. Fleming, Jr.
Stephen T. Flynn
Elbert A. Foster
Wayne N. Fowler
Donald R. Frank
Douglas R. Frank
Howard A. Franz
David L. Fraser
Richard A. Frindt
Robert D. Fulcher
Richard F. Fullerton
Harold F. Gabelman
Sidney R. Gale
Samuel J. Galloway
Joel R. Gardner
Barry L. Garner
James D. Garrett
Albert R. Gasser, Jr.
Ronald L. Gatewood
Charles R. Geiger
John M. Geisser
Robert J. Genovese
Aultie G. Gerwig
Michael P. Getlin
Michael R. Getsey
Larry R. Gibson
Bobby G. Girvin
Aloys A. Glose
Robert H. Goetz
Paul B. Goodwin
Henry F. Gotard
Bernard Grabowski
James A. Graham
Donald A. Grant
Peter C. Grauert
Edwin T. Gray
Robert W. Green
William R. Green
Joseph P. Greeves, Jr.
Simon H. Gregory
Tommy D. Gregory
Donald A. Gressly
Marshall M. Grice, Jr.
Alfred L. Griggs
Jackie L. Grinstead
Steven J. Groebner
Paul G. Grummon
Leon A. Guimond
Gordon H. Gunniss
Michael A. Gurrola
Thomas M. Haddock
John F. Hales
Hurston Hall
Samuel T. Hall
James C. Hallman
George C. Hamilton
William P. Hamilton
Thomas L. Hampton
Joseph J. Hanley
James H. Hanson
William T. Hardaker, Jr.
Christian L. Harkness
Michael H. Harper, Jr.
John F. Harrah
John D. Harrill, Jr.
William G. Harris, Jr.
John C. Harrison
William L. Hartley
Jude M. Hartnett
Stanley E. Haynes
James D. Hayslip
William L. Heflin
Ronald A. Heintz
Hans R. Heinz
Jerry G. Henderson
Kenneth S. Hendrickson
Stuart L. Henning
Jerry L. Henson
James R. Herd
Donald H. Hering
Walter H. Herkal, Jr.
Jerome L. Hess
Francis E. Heuring
Bruce B. Hickox
Billie E. Hicks
Kent R. Hildreth
Nicholas J. Hilgert, Jr.
Fred P. Hilpert, Jr.
Thomas F. Hinkle
Amos B. Hinson III
Alan W. Hitchens
Harold M. Hitt
Daniel A. Hitzelberger
Robert W. Hobbs
James V. Hoekstra
John W. Hogue
Vernon J. Holbrook
Alwin G. Holland, Jr.
Bobby G. Hollingsworth
James A. Hollis
Kenneth L. Holm
Hal Holmes, Jr.
Franklin J. Homan II
Richard J. Hooton, Jr.
Keith D. Hornbacher
Gerald L. Hornick
John A. House II
Otis E. Howard III
Thomas M. Howard
Thomas M. Howlett
Robert W. Hubbard
Charles R. Huddleston
Walter F. Hudiburg, Jr.
William E. Hudson
Norbert A. Huebsch, Jr.
Ronald H. Huesman
Benjamin M. Huey II
Robert A. Hughes
Winston L. Hughes
Richard C. Hulit
Bruce A. Hultman
Gerald Hunt
Robert A. Hutchins, Jr.
Delbert M. Hutson
Donald K. Igou
Raymond F. Incociati
William W. Jackson
Bronson C. Jacoway, Jr.
Fred L. James
James J. Jaros
James T. Jenkins
Gilbert D. Johnson
Herbert C. Johnson
Kenneth H. Johnson
Thomas L. Johnson.
Ward S. Johnson
Harlan E. Jones
Jack L. Jones
Patrick S. Jones
Richard C. Jones, Jr.
Robert L. Jones, Jr.
Robert E. Jones
William D. Jones
Charles G. Jordan
Robert W. Joyce
Charles D. Joyner
Norman G. Jungmann
Kenneth E. Junkins
Gerard T. Kalt
Dennis W. Kane
Richard J. Kapsch
Gerald R. Keast
Elton J. Keeley
Thomas P. Keenan, Jr.
William F. Keller
John A. Kelly
John A. Kelly
Edmund W. Kelso, Jr.
Rodney P. Kempf
James A. Kenniger
Richard B. Kenyon
John P. Kerchner
Allan K. Kerins
Theodore J. Keskey
Eugene W. Kimmel
Steven B. Kimple
John T. King
Robert N. Kingrey
Michael P. Kingston
William G. Kingston, Jr.
George W. Kirby
Thomas W. Kirby
Hague M. Kiser
John W. Kiser, Jr.
Francis T. Klabough
Alfred S. Kline
John E. Knight, Jr.
Edward A. Kolbe
Anthony F. Konopka
William E. Konrath
Frank H. Kos, Jr.
Gerald W. Kozak
Paul F. Kramer
Dennis E. Kraus
Larry A. Krohn
Leonard R. Krolak
Peter A. Kugel
Lawrence C. Kutchma, Jr.
Thomas A. La Cour
Ellis E. Laitala
Harry E. Lake, Jr.
Gary K. Lambert
Timothy A. Lamphier
Carlton E. Land
Howard F. Langley, Jr.
Anthony V. Latorre, Jr.
Robert O. Leatham
Larry E. Lein
William E. Leonard
James G. Le Sieur III
Corby F. Lewis
Sichi Li
Jacob E. Libbey
Stephen W. Lind
John R. Lindsay
Wayne M. Lingenfelter
Henry Linsert, Jr.
Marvin H. Lippincott
David R. Little
Ernest K. Little
Eugene M. Litz
Edward J. Lloyd
James F. Lloyd, Jr.
Hubert A. Locke
William G. Loeber III
James T. Loftus
Joseph S. Longo, Jr.
Michael E. Lorig
"L." "J." Lott
James M. Lowe II
John F. Luhmann
David A. Luhrsen
Alf Lundeman
Charles A. Lyle
Alfred E. Lyon
Harry T. Mackin
Kenneth R. Maddox
Robert A. Madeo
Chris Madsen
Gerald G. Madson
Gerald R. Magliano
Rudolph J. Maikis
Phillip S. Makowka
Ernest N. Maley
Edward J. Manco
Douglas E. Manning
James E. Markel
James K. Marlatt
Michael A. Marra
William S. Marshall III
Robert J. Martinez, Jr.
Lyle D. Mathews
John G. Matlack
Ronald R. Matthews
Enrique A. Mauri
Dexter C. Maust
John F. McCammon
Edward D. McCarron, Jr.
Patrick L. McCarthy, Jr.
Harry M. McCloy, Jr.
James L. McClung
Edward C. J. McConnaughey, Jr.
John J. McCoy
Michael D. McCulley
Kenneth D. McCurry
James J. McDonald
Daniel B. McDyre
Robert B. McEachran
Richard S. McFarlane
George T. McGillivray
Robert D. McGinn
Thomas A. McGowan
Michael McGuirk
Gerald L. McKay
Bruce S. McKenna
William H. McKinley
Denis A. McKinnon
Daniel K. McMahon, Jr.
Earl L. McMurtrie
Timothy G. McTigue, Jr.
Donald M. McVay
Laurence R. Medlin
George Meerdink
Edward H. Menzer
Burton J. Merrick
Bion E. Merry
Donald W. Metcalf
Tolman U. Meyers
Perry W. Miles III
Douglas F. Miller
Wallace L. Mills
Ray F. Milsap
George K. Minas
Ronald D. Miner
Terry L. Miner
James R. Mires, Jr.
George J. Miske
Jay A. Mitchell
Patrick G. Mitchell
Robert L. Mitchell
Robert J. Mockenhaupt
Charles C. Monch
Anthony A. Monroe
David W. Moore
Edgar R. Moore
Richard L. Morey
John R. Morgan
Joseph G. Morra
David A. Morris
Robert S. Morrison
Richard E. Moser
Edward W. Motekew
John T. Mowrey
Charles H. Mulherin, Jr.
Thomas P. Mulkerin
Joseph F. Mullane, Jr.
Christopher D. Munger
John P. Murphy
John T. Murphy
Joseph P. Murphy
Philip J. Murphy
James M. Myatt
Bert L. Nale
James W. Nall
David R. Nay
Terrence P. Neist
Earl L. Nelms
David A. Nelson
Eugene T. Nervo
Carl J. Neubig
Lane Newbury
John L. Newton
James W. Nichols
Paul M. Nick
Robert W. Nilsson
Ken W. Nisewaner
William J. Nixon, Jr.
Robert E. Noe
Ernest G. Noll, Jr.
William R. Northcutt
Gerard P. Nugent, Jr.
William B. Nye
Theodore P. Nykreim, Jr.
Paul W. O'Brien
John P. O'Connor
William L. O'Connor
William J. Odle
Robert L. Oetting
Daniel J. Ogle
Loren J. Okrina
Robert V. Olson
Peter S. Optekar
Ronald G. Osborne
Larry J. Oswalt
Raymond J. Otlowski
Willam R. Otto
John F. Palchak
Thomas M. Parmerlee
Joseph R. R. Paquette
Albert J. Pardini
Alson H. Parker III
Edwin E. Parker
Alex M. Patterson, Jr.
Jerome T. Paull
Frank G. Pearce
Gary E. Peil
Joaquin D. Pereira
Nicola M. Pereira, Jr.
George E. Perry, Jr.
Leon E. Perry
Henry L. Perzinskas
Allen E. Peters
Warren M. Petersen, Jr.
James C. Peterson
Michael B. Peterson
William E. Phelps
Charles C. Pierpoint III
John H. Pierson, Jr.
Richard P. Pierzchala
Roger P. Pilcher
John M. Pinckney III
Lyle F. Pittroff
Thomas E. Pitts
Marvin F. Pixton III
Ronald J. Plachy
John F. Platt
Joseph R. Pleier
Jimmie R. Pollock
David V. Porchey
Robert D. Porter
Herbert F. Posey
Gary L. Post
Dirck K. Praeger
Charles P. Preston, Jr.
Thomas R. Preston
Ernest E. Price III
Norman L. Prouse
Stafford D. Purvis, Jr.
Richard G. Quinn
Daryl L. Rabert
Thomas F. Rafferty
Kenneth R. Ramsey
John A. Rank III
Walter "O." "A." Raske
Arch Ratliff, Jr.
Robert E. Reagan
"H." "L." Redding
Thomas D. Redmond
Henry W. Reed
Clyde M. Regan
Michael J. Reilly
Ronald W. Rensch
David M. Repp
Edward H. Ressler
Richard R. Reuschling
Donald J. Reynolds
Kenneth E. Reynolds
Terril J. Richardson
George G. Richey, Jr.
James M. Richmond
James E. Rickmon
Jon K. Rider
Edward G. Ries, Jr.
Donald G. Ringgold
James M. Ritzenthaler
Howard S. Roberts, Jr.
Larry C. Roberts
Morris R. Roberts
Thomas W. Roberts
James D. Robertson
Donald J. Robinson II
Jean O. Robinson
John H. Rodgers
John M. Rodosta
John S. Roederer
Robert F. Rogers
John A. Roney.
Joseph J. Roniger, Jr.
Chistopher J. Rooney
Donald L. Rosenberg
George A. Ross
Michael R. Ross
Larry M. Rummans
Richard Ruthfield
John W. Ruymann
James P. Ryan, Jr.
James E. Sabow
Donald J. Saltarelli
Lynn E. Saracino
William E. Scaplehorn, Jr.
Anthony J. Scaran
Paul M. Schafer
George R. Schipper
George T. Schmidt
William E. Schmidt
Frederick W. Schroeder
David E. Schultz
Ludwig J. Schumacher
Ronald S. Sciepko
David J. Sconyers
Gerald E. Scott
Kenneth M. Sears
John C. Sease
Vincent D. Segal
Bernard K. Severin
Arthur G. Shadforth
Ray C. Shands
Delmas D. Sharp, Jr.
John F. Shea
Stanford E. Sheaffer
Kenneth E. Shelton
Roy H. Shelton, Jr.
Carl E. Shepherd
Louis G. Shikany
David R. Shore
Moyers S. Shore II
Edward R. Shugart III
Clyde M. Simmons
Roger R. Simmons
Louis L. Simpleman
Billy E. Simpson
David L. Siweck
Harold W. Slacum
Alfred T. Smith
Charles D. Smith, Jr.
Clarence D. Smith
Darrel F. Smith
David E. Smith
George E. Smith, Jr.
Gordon F. Smith
Phillip R. Smith
Richard P. Smith
Ronald L. Smith
William E. Smith
Paul L. Snead
Thomas J. Snee
Allan E. Snook
Alan T. Snyder
Gary D. Solis
Don F. Sortino
Ronald D. R. Sortino
Peter B. Southmayd
Gerald R. Sowa
Charles A. Spadafora
Walter J. Spainhour, Jr.
William M. Sparks
Robert J. Squires
James "B." Sramek
Roger F. Staley
Michael S. Stark
Paul M. Starzynski

Frank L. Statler, Jr.
John D. Steel
Kent O. W. Steen
Ronald M. Stein
John F. Stennick
Lee R. Stephenson, Jr.
Frank C. Stolz, Jr.
Simon F. Stover
Jerry R. Stratton
Jerry L. Stricker
Frank D. Strong
John R. Stummer
Charles Swinburn
Herbert H. Swinburne, Jr.
Kenneth P. Sympson
Kenneth A. Taggart
Glenn Takabayashi
Lawrence E. Tanksley
James L. Taylor
Joseph Taylor
Thomas C. Taylor
Gary L. Telfer
Robert G. Temte
Theard J. Terrebonne, Jr.
William B. Terrill
Bruce A. Tester
Gary E. Thiry
Blake K. Thomas
Charlie H. Thompson II
Robert Tieken, Jr.
Larry R. Timmerman
William E. Tisdale
Richard C. Titus
Richard P. Toettcher
David A. Tomasko
Richard D. Tomlin
Howell A. Tompkins, Jr.
Patrick L. Townsend
Douglas O. Tozour
Arthur B. Tozzi
Richard B. Trapp
Charles M. Travis
Timothy M. Treschuk
William H. Trice, Jr.
Bennie J. Trout
Robert L. Turley
John D. Tyson, Jr.
David F. Underwood III.
Robert S. Urland
Juri Valdov
Kent R. Valley
Thomas L. Vanderham
Daniel P. Van Grol III
James K. Van Riper
Paul K. Van Riper
Peter J. Van Ryzin
William G. Vanzanten, Jr.
Emilio E. Varanini III
Wayne A. Vecchitto
Eugene S. Vejtasa
Russell D. Verbael
Michael H. Vidos
Francis Visconti
John L. Vogt
Melvin L. Vos
Jaris L. Wagor
John S. Walker
Larry D. Walker
Louie M. Walters, Jr.
Alexander K. Ward
John W. Ward
John H. Warner
Milton T. Warring, Jr.
Joel M. Warshaw
John D. Watson
Jonathan G. Watson
Daniel J. Wawrzyniak
Davis C. Weatherly, Jr.
Dudley M. Weathers
Allen B. Webb
Delias J. Weber
John D. Weber
Jerry R. Weibel
John D. Weides
George J. Weinbrenner
John R. Weinhart
Robert E. Weir
Stanley A. Weld
Donald A. Wellman
David B. Werner
Duncan S. Werth II
Roy J. Wetzel, Jr.
Larry D. Whalen
Theodore L. Whisler
Alexander W. Whitaker
David L. White
Richard A. Whitehouse
Harold W. Whitten
Wyatt C. Whitworth, Jr.
Clifford Wieden, Jr.
Billy L. Williams
Clarence D. Williams
Claude N. Williams
James T. Williams
John K. Williams
Peter D. Williams
Robert B. Williams
Thomas E. Williams, Jr.
Monroe F. Williamson
Willis C. Wilson
John W. Windisch
David F. Winecoff
Samuel C. Winegardner
Edward C. Wingenbach III
Michael N. Winkelbauer
Thomas J. Wise, Jr.
Siegfried R. Witt
Paul W. Witting
John A. Woggon, Jr.
Charles L. Wood III
Laurice E. Wood, Jr.
William M. Wood
Robert H. Woodard
Robert M. Wright
Michael W. Wydo
Michael G. Wystrach
Richard A. Yaeger
Robert C. Yost
Gary L. Young
Anthony A. Zadravec
Harold E. Zealley
William E. Zelm
Kenneth W. Zitz
Ronald M. Zobenica

The following-named officers of the Marine Corps for permanent appointment to the grade of captain, subject to qualification therefor as provided by law:

Joseph M. Cavanagh
Anthony J. Fraioli
James A. Honse
Emmett C. Merricks, Jr.
Richard W. Morgan
Luther L. Payton, Jr.
Harold E. Plum
Philip T. Starck
Raymond Velasquez

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant, subject to qualification therefor as provided by law:

Chauncey C. Acrey
Paul J. Albano
Peter P. Anderson
Charles E. Ash, Jr.
Brent J. Barents
Charles E. Barnett
Ronald D. Bennett
Thomas N. Best, Jr.
Richard M. Bloom
Dennis D. Bradley
Victor H. Britt III
Harold L. Broberg
Roland E. Butler
Jerry R. Cadick
William L. Cadieux
Michael J. Carley
Frederick H. Carter
Henry B. Castle
Charles W. Cheatham
Laurence M. Cherbonnier
Jack A. Chiaramonte
Douglas S. Christensen
Joe Clark
Charles B. Coltrin
John P. Coursey
Marvin L. Creel
Joseph C. Debilio
Arlie W. R. Demein, Jr.
Robert L. Ferguson
David L. Fraser
Charles R. Geiger
Donald A. Gressly
Thomas M. Haddock
Raymond G. Hamilton
Eric E. Hastings
Stanley E. Haynes
Robert W. Hein, Jr.
Jerry G. Henderson
Kenneth S. Hendrickson
Donald H. Hering
Robert W. Hobbs
John W. Hogue
Bobby G. Hollingsworth
Robert W. Hubbard
Jeffrey J. Hughes
Winston L. Hughes
Dennis W. Kane
William F. Keller
Allan K. Kerins
Eugene W. Kimmel
Steven B. Kimple
John E. Knight, Jr.
Paul F. Kramer
Larry E. Lein
Corby F. Lewis
Brice R. Luedtke
Rudolph J. Maikis
James E. Markel
James J. McDonald
Donald A. McPheron
James R. Mires
Stuart J. Mock
James W. Morgan, Jr.
John T. Mowrey
James W. Nall
Paul M. Nick
William R. Otto
Stafford D. Purvis, Jr.
William H. Rath
Arch Ratliff, Jr.
Richard Ruthfield
Christopher B. Salmon
Carl E. Shepherd
Lee R. Stephenson, Jr.
Theard J. Terrebonne
Charlie H. Thompson II
Arthur B. Tozzi
David F. Underwood
Robert E. Weir
James T. Williams
Monroe F. Williamson
Russell L. Williamson

The following-named officers of the Marine Corps for temporary appointment to the grade of first lieutenant subject to qualification therefor as provided by law:

Walter Acuff III
Granville R. Amos
Judybeth D. Barnett
"J" "T" Begley
David C. Cleveland
Joseph F. Colly, Jr.
John F. Depenbrock, Jr.
Della J. Elden
John C. Eudy
Donald S. Gallaspy, Jr.
Henry W. Gardner
Walter H. Goedeke
Roy L. Griffin, Jr.
Joe M. Hargrove
Harold L. Honbarrier
Charles H. Ingraham
Christopher Kinney
Robert L. Larkin
Walker M. Lazar
Susan M. Mason
Clarence E. Obrien
Peter R. Rounseville
William T. Sermeus, Jr.
James L. Wright
Thomas P. Wyman
Michael E. Yaggy
Robert S. Rix, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 25, 1966:

DEPARTMENT OF JUSTICE

David W. Dyer, of Florida, to be U.S. circuit judge, fifth circuit, vice Warren L. Jones, retired.

Bernard J. Leddy, of Vermont, to be U.S. district judge for the district of Vermont to fill a new position created by Public Law 89–372, approved March 18, 1966.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 25, 1966

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

I will say of the Lord, He is my refuge and my fortress: my God, in Him will I trust.—Psalm 91: 2.

Eternal God, our Father, who art the Creator of the world and the everlasting sustainer of our spirits, without whom no one is wise, no one is good—we pause in Thy presence to invoke Thy blessing upon us and to offer unto Thee the devotion of our hearts.

Bless us as we meet this day and may we be given wisdom to make sound decisions, strength to walk in the way of justice and freedom for all, and good will to motivate all we say and do.

Bless Thou our country and make us now and always a people mindful of Thy favor, eager to do Thy will, willing to obey Thy commandments, and ready to live in Thy spirit of love.

Bless our Armed Forces at home and abroad. Strengthen their families and all their loved ones—separated from one another as they are; and, as some journey through the valley of the shadow of death, let them feel Thy strengthening presence and Thy comforting spirit.

May we as the leaders of this free land match this devotion by a deep dedication of our own spirits to the welfare of our beloved country, in the Master's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3700) entitled "An act to amend the Urban Mass Transportation Act of 1964."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3688) entitled "An act to stimulate the flow of mortgage credit for Federal Housing Administration and Veterans' Administration assisted residential construction."

INTERSTATE AND FOREIGN COMMERCE COMMITTEE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may sit today during general debate.

The SPEAKER. Is there objection? The Chair hears none, and it is so ordered.

There was no objection.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON SUPPLEMENTAL FOREIGN ASSISTANCE FOR VIETNAM FOR FISCAL 1966

Mr. HAYS submitted a conference report and statement on the Senate concurrent resolution (S. Con. Res. 77) authorizing the printing of additional copies of hearings on supplemental foreign assistance for Vietnam for fiscal 1966.